

Certified Public Accountants

October 31, 2003

Proposal RFP 03-75810

Department of Health Services Office of Medi-Cal Procurement 600 North Tenth Street, Room 240C Sacramento, CA 95814

To the Evaluation Committee:

Myers and Stauffer LC presents our response to RFP 03-75810, Medi-Cal Reimbursement Rate Support Services. We acknowledge receipt of RFP 03-75810 released September 30, 2003, and Addendum 1 dated October 3, 2003.

We meet all qualification requirements listed in Section I of the proposal. We have read and are willing to comply with all proposed terms and conditions addressed in the RFP section entitled, "Contract Terms and Conditions", including the terms appearing in the referenced contract exhibits and attachments.

This is to certify that I, Kevin C. Londeen, member, am an officer who is authorized to contractually obligate the firm and negotiate a contract. I have the authority to answer questions concerning our proposal and can be reached at the listed address and phone number.

Kevin C. Londeen, Member Myers and Stauffer LC 11440 Tomahawk Creek Parkway Leawood, KS 66211 Phone: (800) 374-6858

Thank you for providing us with the opportunity to participate in this bidding process.

Sincerely,

Kevin C. Londeen

Member

Proposal Cover Page

Proposal Cover Page

Name of Bidding Firm (Legal name as it will appear on	the contract)	
Myers and Stauffer LC		
Mailing Address (Street address, P.O. Box, City, State,	, Zip Code)	
11440 Tomahawk Creek Parkway, Leawoo	od, Kansas 66211	
Person authorized to act as the contact for this firm	n in matters regarding this prop	osal:
Printed Name (First, Last):	Title:	
Kevin Londeen	Member	
Telephone number:	Fax number:	
(800 374-6858	(913) 234-1104	
Person authorized to obligate this firm in matters r	egarding this proposal or the re	esulting contract:
Printed Name (First, Last):	Title:	
Kevin Londeen	Member	-
Telephone number:	Fax number:	
(800) 374-6858	(91) 234-1104	
(CORPORATIONS) Name/Title of person authorize on behalf of the Board:	ed by the Board of Directors to s	sign this bid
Printed Name (First, Last):	Title:	
Kevin Londeen	Member	
Signature of Bidder or Authorized Representative		Date:
Freeze le holers		10/27/03
- / vuni		

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Executive Summary

C. Executive Summary

Myers and Stauffer is excited about the opportunity to provide reimbursement rate support services for the Department of Health Services (DHS), a project that requires an in-depth understanding of the health care industry and current Medicaid and Medicare reimbursement methodologies. We understand that each state has its own unique legal, cultural and political environment and policy goals.

In California, the Medical Assistance Program (Medi-Cal) administers the Medicaid program, providing health care services to welfare recipients and other qualified low-income persons (primarily the aged, blind, disabled or families with children). The budget for 2002-03 is reported to exceed \$27 billion. Considering the needs of the populations served, the volume of dollars expended, current budget crisis within the state, and the volatile Medicaid environment, this is an extremely important project. The successful bidder should be knowledgeable in health care payment and delivery systems and able to quickly grasp California-specific issues.

Myers and Stauffer is not an accounting and consulting firm attempting to perform legal services. Rather we are a certified public accounting firm assisting our Medicaid agency clients address provider payment and other legal challenges. We have developed extensive skills and competencies in the litigation support area through our other client service responsibilities. Our litigation support experience includes assisting our Medicaid agency clients with large class action lawsuits as well as resolving individual provider rate appeals.

In current litigation support projects, we are frequently asked to:

- Analyze assertions contained in the complaint.
- Develop computer models (or exhibits) to assist the state in its assessment of the financial issues at stake.
- Prepare and make presentations to the Medicaid agency and legal staff to assist them in better understanding the issues under dispute.
- Research and evaluate our state agency client's treatment of issues as compared to other Medicaid and/or Medicare program policies.
- Develop databases of cost, payment rate and related statistical information for use by us, our state agency clients or their legal representatives.
- Prepare trial exhibits and present expert testimony at settlement conferences, hearings or trials.
- Assist our Medicaid agency clients with their research, modeling, drafting and implementation of payment system revisions to reduce or eliminate the risk of similar litigation in the future.



Through our specialization in government-sponsored health care programs, and the knowledge we have amassed through our 20+ years of experience in this field, we will assist DHS and its legal counsel to assess program-wide risk, analyze and evaluate issues, and prepare winning defense strategies.

Myers and Stauffer is a CPA firm dedicated to serving governmental agencies that manage public health care programs. This is our only line of business. We do not solicit or accept health care providers, or other non-government agencies, as clients. We adopted this client acceptance policy more than 20 years ago to ensure we avoid conflicts of interest. Our mission is to continue to provide high quality accounting and related services to our clients. We are committed to providing value added services and have developed a reputation for superior performance and reliability. Our performance will meet or exceed DHS requirements for efficiency and timeliness.

The litigation support needs of our clients are met with the knowledge and experience we bring to the project on reimbursement issues being contested. Our project team is able to respond to a wide array of potential litigation and/or consulting issues.

Since the firm's inception in 1977, we have worked with more than 35 state Medicaid program and the Medicare program on various public health care policy, rate setting, auditing, data management and consulting projects. We have multi-state experience with long-term care, hospital and outpatient facility payment issues. This experience includes assisting with the design and implementation of provider rate setting systems, providing on-going operation of the payment systems, and defending payment system (rates) from provider or other stakeholder challenges.

Our long-term care experience includes assisting Medicaid agencies with both cost-based and price-based nursing facility reimbursement systems. Over the past several years, we have worked with approximately 18 state Medicaid agencies in their evaluation and implementation of nursing facility resource utilization group (RUG) case mix reimbursement systems. These reimbursement systems incorporate acuity measurements similar to those used in the Medicare Skilled Nursing Facility Prospective Payment System (SNF PPS). During this same period, we have assisted states defend nursing facility payment systems from legal challenges. Prior to the repeal of the Boren Amendment in the Balanced Budget Act of 1997, we assisted several states defend themselves from Boren lawsuits.

In the hospital arena, we have extensive payment system design, implementation and operation experience with cost-based and price-based inpatient hospital reimbursement systems. These reimbursement systems include payment features addressing routine inpatient service reimbursement, as well as, outlier adjustments, medical education add-ons, transfers, and transplant payment methodologies. We have several on-going engagements in which we assist Medicaid programs with updates to their DRG relative weights. We have also assisted Medicaid agency clients with the development and operation of the Disproportionate Share Hospital (DSH) payment plans. These payment plans are designed to provide additional state/federal funding to hospitals serving the uninsured, and to maximize federal funding with the Medicaid program.



Our outpatient accounting and consulting services are equally extensive. We are familiar with several different state outpatient hospital reimbursement systems, having assisted with payment system development and on-going operational support. We are also involved with payment issues for ambulatory surgical centers (ASC), physicians, dentists, pharmacies, and durable medical equipment. We have recently assisted several states with payment accuracy measurement (PAM) projects under a national demonstration program by the Centers for Medicare and Medicaid Services (CMS).

In addition to our multi-state experience, we recently completed a study of the Medi-Cal pharmacy reimbursement for DHS. For this engagement, we developed and distributed a dispensing cost survey instrument, met with pharmacy industry groups and presented methodology of pharmacy study at statewide training sessions, performed desk reviews and field examinations of cost surveys, performed cost allocations and statistical analyses of dispensing cost and performed a survey of pharmaceutical ingredient acquisition cost with comprehensive statistical analyses.

Our management plan for this project allows us to draw upon experts throughout Myers and Stauffer to ensure that we assign personnel possessing the technical knowledge and experience needed to meet the state's needs. Myers and Stauffer has staff trained and available to commit to this project.

The health care reimbursement field is complex. In order for consultants to be valuable members of a litigation team they must understand federal and state statutory and regulatory requirements, possess knowledge of complex reimbursement issues and have the data management, analysis and presentation skills needed to convey complex issues clearly and concisely.

Throughout our professional history, we have amassed a great deal of knowledge and expertise in the health care reimbursement field. This knowledge and expertise, combined with our intentional restriction to only serve government agencies, makes us valuable members of a litigation support team. Our multi-state experience with long-term care, hospital and other Medicaid outpatient payment systems, as well as hands-on experience assisting clients and their legal counsel defend the state from challenges, uniquely qualifies us to serve Medi-Cal with its reimbursement rate and litigation support needs.



Agency Capability

D. Agency Capability

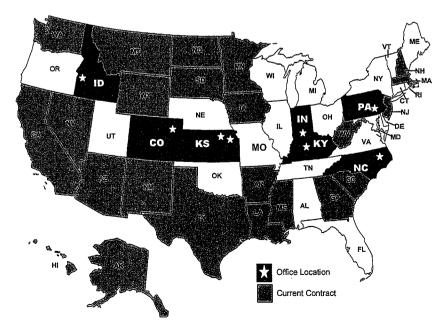
1. Firm History

Established in 1977, Myers and Stauffer LC provides accounting and consulting services to governmental health care agencies. With a more than 25-year history in the ever-changing health care arena, we understand the demands policymakers face managing government health care systems. Our goal in working with our clients is to match our experience and staff to the unique needs of each project. Staffed with professionals who are knowledgeable and experienced in performing payment system consulting services, data management and reporting and a wide array of other health care-related services, we have earned a reputation for being creative and innovative in helping our clients adapt to the dynamic health care environment.

With eight offices located throughout the United States, our practice has addressed reimbursement issues for long term care facilities, home health agencies, hospitals, federally qualified health centers, rural health clinics, pharmacy and other non-institutional providers in more than 35 state Medicaid programs.

Our experience includes assisting in the development of reimbursement systems, defending reimbursement rates and audit findings from health care providers' administrative and judicial challenges and performing data management and analyses to support our clients in managing government-sponsored health care programs.

We <u>currently</u> have engagements with Medicaid agencies in 22 states as indicated below. Working with government agencies on health care-related projects is the only major business venture for Myers and Stauffer LC. The firm's health care practice has attained a national reputation for successful health care related projects.





Ownership

Myers and Stauffer is a limited liability company organized in the state of Kansas and licensed to do business in California.

In the fall of 1998, Myers and Stauffer LC created a new entity called M&S Consulting Services, Inc. to participate with various consulting engagements of the firm. This entity was subsequently merged with Century Business Services, Inc. Century is a leading provider of outsourced business services to small and medium-sized companies throughout the nation.

Myers and Stauffer LC, a member-owned certified public accounting firm, will provide the requested Medi-Cal reimbursement rate support services for the entire California project.

2. Experience and Qualifications

Myers and Stauffer is engaged by several state Medicaid agencies to provide services similar to those requested in this proposal. Through our experience with long-term care, hospital and other Medicaid outpatient payment systems, the firm has developed additional expertise assisting clients and legal counsel defend states from challenges.

Long-Term Care Reimbursement

Myers and Stauffer has assisted with nursing facility reimbursement issues through engagements covering a wide spectrum of services from cost verification (audits and desk reviews), detailed

reimbursement system evaluation and design consultation expert testimony and other litigation support. We have worked or are working with 18 states on nursing facility case mix reimbursement projects: Kansas, Idaho, Indiana, Pennsylvania, New Jersey, Colorado, Hawaii, Louisiana, Iowa, Kentucky, North Carolina, Georgia, Washington, Nevada, Minnesota, Florida and Mississippi. These projects involved the analysis of Minimum Data Set (MDS) information that was used to set case mix indexes, the modeling of reimbursement systems that incorporates the case mix indexes (weight), and the implementation or evaluation of these new reimbursement methodologies. The list of nursing facility services we have provided to states includes:

- Drafting Medicaid reimbursement regulations.
- State plan development assistance, preparing public notice and assisting with the state's justifications.
- Consulting to states on Medicare/Medicaid cost reporting, definitions of allowable costs and reimbursement issues that have impact on nursing facility cost and reimbursement.
- Cost report design and database development.
- Computerized rate setting systems.
- Cost report desk reviews and audits.



- Medicaid case mix reimbursement systems including support services:
 - Medicaid case mix weights, conducting time studies.
 - Electronic MDS collection systems, provider training, help desk maintenance, information newsletters and data verification.
 - Reimbursement system design, extensive modeling and presentations to states, providers and other interested parties.
- Providing testimony in rate appeals or other related litigation.

Inpatient Hospital Reimbursement

Myers and Stauffer has provided DRG rate setting and related consulting services to seven states: Alaska, Colorado, North Carolina, Kansas, Indiana, New Mexico and Oregon. The firm has provided

these states with reimbursement system options to address issues related to neonatal, psychiatric, and rehabilitation services. In servicing these DRG rate setting engagements, the firm has developed and refined specialized computer software tools that allow us to conduct the routine portions of the rate setting and modeling processes efficiently. As a result, project team members are able to spend more time on analysis.

In recent years, Myers and Stauffer has provided rate setting, reimbursement system development support, and hospital cost report audits to government agencies in 12 states (including the seven DRG projects discussed above).

The firm provides hospital cost report review, analysis and cost settlements for the states of Indiana, Idaho and New Mexico. The firm conducts hospital cost report audits for the Medicaid agencies in Alaska, New Mexico, Indiana, and Kentucky, and in 1994 we conducted on-site financial studies of hospital cost reports for the Commonwealth of Pennsylvania as part of that state's initiative to develop new cost finding rules.

Myers and Stauffer has consulted to the states of Missouri and South Dakota on inpatient findings and assurances and has provided numerous states with litigation support in Boren Amendment lawsuits.

In addition to these Medicaid inpatient hospital reimbursement projects, we have also worked with several Medicaid agencies on Disproportionate Share Hospital (DSH) projects. These engagements have addressed the data analysis and modeling of new DSH payment methodologies, the implementation and on-going operations of DSH payment systems and the defense of DSH payment systems from providers, CMS and other stakeholder challenges.

Through all of these engagements, Myers and Stauffer has developed an expert level of understanding of federal inpatient hospital Medicaid reimbursement requirements contained in code and regulations.



Outpatient Prospective Payment System Reimbursement

Myers and Stauffer is currently assisting the state of Louisiana with the development and implementation of an Ambulatory Patient Classification (APC)-based outpatient prospective payment system. The first phase of this engagement

was to evaluate options (including fee-for-service and APCs) and provide a recommendation in regard to implementing an outpatient prospective payment system. Louisiana is facing a severe budget crisis in its Medicaid program and is extremely sensitive to the fiscal impact and possible cost shifting that a new reimbursement methodology might generate.

In preparation for this and other engagements, Myers and Stauffer followed the development of grouped classification systems for outpatient hospital services (APGs and APCs) for several years. As part of this process, Myers and Stauffer was able to provide analytical services to CMS under contract with Kathpal Technologies. We were contracted to evaluate the reimbursement of high cost drugs under the then-proposed Medicare APC OPPS. Our recommendations resulted in the creation of additional APCs specifically for the purpose of reimbursement of certain drugs.

Myers and Stauffer has also provided hospital outpatient reimbursement system review and rate setting services to several states. For example, the state of Indiana utilizes a less complex prospective reimbursement system that includes Medicare's Ambulatory Surgery Center (ASC) group payment rates; CPT-code fee schedules for laboratory, radiology services and other "stand-alone" services; and state-specific fee schedules for emergency room and treatment room services. The system incorporates partial bundling.

Myers and Stauffer reviewed the appropriateness and adequacy of rates in each of these areas, and has provided the state with a set of recommendations for various rate adjustments. Our project was data-intensive, involving the summarization and analysis of two years of claims data, along with cost report and other information. The deliverables to the state included fiscal impact models supporting the proposed rate adjustments.

Other Outpatient Hospital Reimbursement In other related activities, Myers and Stauffer reviews and analyzes hospital outpatient claims data for the state of New Mexico and uses this to finalize cost settlements to providers under that state's retrospective reimbursement methodology.

We have also consulted with the state of Alaska on the adequacy of outpatient rates and informally consulted on outpatient fee schedules and related matters with several of our inpatient hospital rate setting clients.

Physician Reimbursement

Myers and Stauffer has provided fee schedule analysis and rate setting assistance for physician services (including anesthesiology) and other ancillary services billed on the CMS-1500 to the

states of Alaska, Indiana and Kansas. In these engagements, we worked with our state agency clients to clarify policy objectives, studied comparative practices in neighboring states, prepared analyses of reimbursement policy options, conducted extensive claims data analyses, provided

Myers and Stauffer LC
Certified Public Accountants

rate recommendations and developed fiscal impact models. The scope of our engagement with Alaska required us to analyze and summarize physician claims data from both Alaska and Washington State.

In addition to these rate review engagements, Myers and Stauffer also provides consulting support to the Kansas Insurance Department with regard to the collection and analysis of physician and ancillary claims data from the top twenty private insurers in the state.

Pharmacy Reimbursement

Myers and Stauffer has more than 25 years experience conducting pharmacy cost surveys in 15+ states. We have provided pharmacy related consulting services including policy research,

claims validation and fiscal modeling. We have performed validation and fiscal modeling procedures using databases containing several million pharmacy claims. We have reviewed and processed more than 15,000 pharmacy cost surveys and performed field visits at more than 600 pharmacies across the country.

Our responsibilities during each of the dispensing cost studies included developing the survey instrument, conducting desk and field reviews of information submitted by pharmacies, performing cost allocations, statistical analyses, development of reimbursement options and recommendations, and assisting our state clients with implementation issues. Several of our recent pharmacy studies have included the development of payment models based on historical pharmacy claims data.

We have acquired a detailed understanding of the operations of retail pharmacies, including cost structures and the relationships that are part of distribution networks. We have collected and analyzed data from thousands of pharmacies, ranging from small independent operations to the largest national chains.

Myers and Stauffer has performed several studies of pharmaceutical acquisition cost. These studies have involved the collection and analysis of acquisition cost data from thousands of wholesaler invoices. Because of these studies, Myers and Stauffer has unique insight into the wholesale and retail pricing of pharmaceutical products.

In addition to performing cost studies, we provide analytical support services, such as budget analysis, responding to legislative initiatives, state plan amendments and regulatory changes. We develop reimbursement plans and were recently engaged to develop a state fee schedules for multi-source legend drugs and blood factor products. We perform program integrity audits of both pharmacies and prescribers.

Myers and Stauffer's pharmacy specialists are familiar with the complicated issues that arise in state Medicaid pharmacy programs. We have experience in dealing with the flow of pharmacy claims data from the point of sale in a pharmacy setting to the claims processing systems of state fiscal intermediaries.



Program Integrity Services and Utilization Management

Myers and Stauffer has provided program integrity services and utilization management services for our state and federal health care clients. Our experience also includes assisting the United States Department of Justice to investigate Medicare

integrity issues. Additionally, Myers and Stauffer serves as a Medicare Integrity Program partner with CMS. We are also engaged by the states of Indiana, Iowa, Kentucky, South Carolina and Idaho to participate in the third year Payment Accuracy Measurement (PAM) program demonstration with CMS. We serve as a payment integrity program contractor for the Indiana Medicaid program and provide utilization management and cost containment strategies for multiple state Medicaid programs. In performance of these services, we have conducted on-site investigations, utilization analysis, statistical analyses, modeling, medication review, medical chart review, provider profiling and recipient profiling. We have assisted our clients in identifying recipients for lock-in and assisted in investigating alleged cases of program abuses and fraudulent behaviors.

Other Reimbursement Experience

Myers and Stauffer has assisted several states with home health, Federally Qualified Health Center (FQHC)/Rural Health Clinic (RHC), Intermediate Care Facility for the Mentally Retarded, ambulance

and transportation, rehabilitation, pain management, group homes, durable medical equipment / medical supplies and waiver reimbursement systems. The spectrum of services we have provided to these programs are similar to those listed earlier. We also closely followed Medicare's transition to a PPS for home health agencies using the OASIS assessment instrument. We have discussed the transition to this reimbursement methodology with several of our existing state Medicaid agency clients. We have also assisted our clients with the development and implementation of a prospective payment system for FQHC/RHC as a result of the provisions contained in section 702 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) of 2000.

3. Recent Relevant Experience

The complexity of the litigation environment demands competent, qualified expert assistance. However, our basic approach in litigation support is avoidance, working to reduce the number of appeals or actions. Prior to any action or litigation, it is important to evaluate existing rules, regulations, and rate or payment structures in program areas of concern. We have assisted in such evaluations and provided states with clear and easy to read reports that outline our analysis and provide any recommendations on current reimbursement policies and procedures. We developed white papers on our findings, assisted in drafting rules and assisted with the implementation of those recommendations.

Since it is impossible to avoid all conflicts, the primary role of our litigation support is to assist our clients in identifying the relevant issues and developing the most effective approach in addressing them. We provide strategic consultation early in any dispute and actively participate in alternative dispute resolution forums including negotiations, informal reviews, rate reconsiderations and administrative hearings.



While all of the following activities may not be required in a given legal situation, the litigation support services we have provided to our clients includes the following:

- Evaluate and review cases.
- Analyze issues including the consistency of rules with statutory standards.
- Participate in development of the overall case strategy.
- Assist in the discovery process (including draft interrogatories and answer requests for documents).
- Assist in defining the scope of economic damages.
- Create reimbursement models.
- Assist in the creation of specific questions, both in writing and/or by being present at depositions, hearings and trial. When present, we provide an attorney immediate access to knowledge and explanations of industry terms and standards.
- Evaluate expert witness testimony and work product responding to the soundness of opinions of an opposing expert.
- Assist in compiling summaries for inclusion in briefs, pleadings or motions.
- Provide expert testimony in discovery or trial.
- Assist in developing strategically focused questions for direct and cross-examination.
- Prepare trial exhibits and visual aids.

The following pages identify Myers and Stauffer's most recent (within the last three years) relevant experience as it relates to providing reimbursement rate support services.



Rate Calculations and Audits of Health Care Providers

Client:

Idaho Department of Health and Welfare

Project

Myers and Stauffer was contracted to perform audits and rate calculations for hospitals, nursing facilities and other health care providers in Idaho. Our work involves audit and reimbursement issues, as well as performing approximately 120 annual audits of Medicaid cost reports of health care providers. This project requires an understanding of the entire reimbursement system, including facility operations, health care issues and issues involving the valuation of property.

Services Provided

- Testify at hearings in defense of the audit adjustments made.
- Verify cost report accuracy and establish reimbursement rates.
- Receive, process and track provider cost reports.
- Develop and maintain a database of cost report information.
- Perform a combination of field audits and desk reviews on cost reports to determine allowable cost in accordance with federal and state reimbursement criteria.
- Establish hospital per diem payments based on cost reports in accordance with Idaho Medicaid limits.
- Calculate a reimbursement settlement amount.
- Calculate interim reimbursement rates and class ceiling limitations.
- Prepare monthly status reports which track provider cost reports through the audit and settlement process.
- Consult with the Department regarding reimbursement issues.

Term of Contract

1992 to Present

Client Contact

Phone: (208) 364-1804

Kathleen Allyn, Deputy Administrator Division of Medicaid, Department of Health and Welfare P.O. Box 83720 Boise, ID 83720-0036

Myers and Stauffer to

Hospital Payment Rate Setting and Audit Services

Client

Indiana Family and Social Services Administration Office of Medicaid Policy and Planning

Project

We provide rate setting, accounting, auditing, data management, research and consulting services to support the Indiana Health Coverage Programs (Indiana Medicaid). As part of this contract, Myers and Stauffer has analyzed issues raised during regulation development. Regulations were typically policy refinements and providers raised issues with the proposed policies that required us to review, analyze and prepare responses. Responses were written narratives with supporting exhibits.

Services Provided

- Receive and process cost reports, develop and maintain a cost report database
- Perform desk reviews and field audits of hospital cost reports.
- Conduct cost settlements for child protective services extended hospital stays.
- Calculate cost-to-charge ratios for cost outlier payments and graduate medical education per diems.
- Prepare administrative rule filings, public notices, state plan amendments, upper limit findings, and analysis of legislative initiatives.
- Compute DRG base rates, relative weights, capital per diems, and outlier thresholds.
- Compute ASC surgical rates, emergency and clinic department visit rates, radiology fees, and fees for all other outpatient services.
- Prepare fiscal impact and cost coverage analyses.
- Analyze reimbursement alternatives and policy options.
- Assist with mitigating rate reconsiderations and appeal requests.
- Monitor utilization and payments made to providers.
- Monitor provider enrollment and coordinate with fiscal agent contractor on rate and enrollment changes.
- Serve as liaison to Indiana Hospital and Health Association.

Term of Contract

1995 to Present



Client Contact

Pat Nolting, Director, Program Operations-Acute Care 402 W. Washington Street, W382 Indianapolis, IN 46204 Phone: (317) 232-4318



Pharmacy Analytical Support

Client

Indiana Family and Social Services Administration, Office of Medicaid Policy and Planning

Project

Myers and Stauffer provides analytical assistance, consulting, data management and analysis to support the pharmacy benefit for the Indiana Health Coverage Programs (Indiana Medicaid), as an adjunct to our hospital rate setting contract. As part of the pharmacy rate setting, we have provided witness testimony on behalf of the state on the rate setting process, state reimbursement policies, drug utilization, and pharmaceutical marketplace. We also prepared support for the Indiana State Maximum Allowable Cost fee schedule and prepared rebuttals against industry submitted testimony and evidence.

Services Provided

- Conduct reimbursement methodology studies.
- Prepare fiscal impact analyses and analytical models.
- Analyze legislative initiatives and inquiries.
- Research emerging programmatic policy trends.
- Participate in meetings with the provider community and their representatives.
- Identify and analyze cost containment opportunities.
- Conduct claim payment and utilization studies.
- Perform research on legend drugs, efficacy, and indications.
- Perform research on brand name and generic utilization patterns.
- Assist with programmatic policy and coverage options.
- Prepare administrative rule filings, public notices, and state plan amendments.
- Identify potentially fraudulent/abusive utilization patterns.

Term of Contract

January 1, 2001 - Present

Client Contact

Pat Nolting, Director, Program Operations-Acute Care 402 W. Washington Street, W382 Indianapolis, IN 46204 Phone: (317) 232-4318



Audit and Rate Setting for Medicaid Long Term Care Facilities

Client

Colorado Department of Health Care Policy and Financing

Project

Myers and Stauffer provides accounting, rate setting and reimbursement consulting services in conjunction with the Department's reimbursement system for nursing facility services to eligible recipients of the Medicaid program.

Services Provided

- Developed the format for the submission of cost report information to the state Medicaid program.
- Assist the state agency in implementing an appraisal-based fair rental allowance system for property reimbursement.
- Provide information systems services and Medicaid rate calculations for health care providers.
- Audit and desk review to identify allowable costs in accordance with agency policy and related Medicare requirements.
- Determine a per diem allowable cost through an annual audit of Medicaid cost reports and calculate the rate of reimbursement.
- Provide statistical and management reports and studies.
- Allow the Department to have on-line access to the cost report database developed and maintained by Myers and Stauffer.

Term of Contract

1984 to Present

Client Contact

Patrick Gordon
Section Manager, Nursing Facilities
Department of Health Care Policy and Financing, Office of Program Development
1570 Grant Street, Suite 318
Denver, CO 80203
Phone: (303) 866-2336



State Plan Consultation and Rate Setting Services

Client

Kansas Department of Social and Rehabilitation Services

Project

Myers and Stauffer provides rate setting services to health care providers and state plan consultation for nursing facilities, nursing facilities for mental health and intermediate care facilities for the mentally retarded.

Services Provided

- Furnish litigation support services.
- Developed the format for the submission of cost report information to the state Medicaid program. Forms were developed in hared copy and electronic formats to give providers a choice for submission process.
- Established and maintain a cost report data processing system.
- Develop a monitoring system to track due dates of cost reports for active providers.
- Process cost report data.
- Process desk review and audit adjustments received from the auditors.
- Calculate Medicaid rates for health care facilities.
- Provide fiscal impact estimates of program cost with analysis of various options considered by the state.
- Perform studies and analyses to support Medicaid program management.
- Prepare findings procedures.
- Assist with writing state health care reimbursement regulations and state plan amendments.
- Advise the agency on issues regarding OBRA '87 and related state plan amendments.
- Participate in the design and implementation of the Kansas Medicaid agency project to revise the home and community-based service waivers for the frail elderly and the physically disabled, known as Living Independence for Everyone (LIFE).

Term of Contract

July 1981 to Present



Client Contact

Bill McDaniel, Director Nursing Facilities and CARE Programs Program and Policy Commission Kansas Department on Aging New England Building 503 S Kansas Avenue Topeka, KS 66603-3404 Phone: (785) 296-0700

Patricia Maben, RN Director of LTC Home Program KS Department of Health and Environment 900 SW Jackson, 1001 Topeka, Kansas 66612 Phone: (785) 296-1246



Nursing Facility Information System and Case Mix Reimbursement

Client

Pennsylvania Department of Public Welfare

Project

Myers and Stauffer was engaged to develop, implement and maintain a Nursing Facility Information System, based on the Minimum Data Set (MDS) to provide quarterly case mix reimbursement rates.

Services Provided Under the Current Contract

- Provide "what if" analysis for peer group medians, prices and rates for nursing facilities that have appealed their rates.
- Review settlement agreements between the provider and the Department for administrative and operational issues and accuracy.
- Provide discovery material that resides in our office.
- Provided testimony as a fact witness concerning background on the development of a document used in an appeal (Fall 2002).
- Design and code computer programs for the system, as needed.
- Build and administer a local area network for the Department.
- Perform pro forma rate calculations.
- Consult in the development of regulations, state plan amendments and case mix appeal issues.
- House and maintain federal MDS 2.0 and OASIS database.
- Maintain MDS 2.0 and OASIS electronic submission to state database including provider training, software vendor training, help desk functions and serve as liaison with the Centers for Medicare and Medicaid Services.
- Assist in training providers on electronic data submission, the MDS, RUG-III version 5.01, correction policy and the Pennsylvania case-mix payment system.
- Develop and maintain computer programs for rate calculations and UMR audit procedures, using MDS data downloaded on a "real time" basis to the state Medicaid server.



- Perform data entry of cost reports and audit adjustments.
- Develop, implement and maintain a system to electronically collect and validate Medicaid cost reports from nursing facilities.
- Calculate annual peer group prices and perform quarterly rate calculations.
- Develop on-line connectivity with state agencies.

Term of Contract

November 1992 to Present

Client Contact

Bonnie Rose, Director of LTC Provider Services DPW Complex #3 – 4th Floor 1401 N. 7th Street Harrisburg, Pennsylvania 17102 Phone: (717) 772-2570



Investigation of Medicare Program Abuses

Client

Department of Justice (DOJ) and United States Attorney offices

Project

Myers and Stauffer, in association with our affiliate firm, Mayer Hoffman McCann L.C., assisted the DOJ and U.S. Attorney's office investigating Medicare program abuses in hospital, skilled nursing facility, home health and other provider settings. The investigations involve allegations of Medicare health care providers filing fraudulent Medicare cost reports. Myers and Stauffer uses audit and other statistical analyses to identify practices of unbundling, upcoding, and improper Medicare cost reporting. Each investigation completed resulted in a positive settlement in favor of the government, and has resulted in recovering hundreds of millions of dollars in inappropriate Medicare claims from health care providers. As an off-shoot of these engagements, we also contracted with Blue Cross of California to assist them in analyzing a large nursing facility chain's reporting of Medicare costs.

Services Provided

- Developed audit techniques and performed focused audits on Medicare skilled nursing facility cost reports of a national nursing home chain. Reviews proved that staff allocations reported to the Medicare program in the provider cost reports were erroneous and/or unsupportable by the provider's records.
- Performed field audit of a hospital's Medicare cost report under investigation for fraudulent filing with the Medicare program. Myers and Stauffer auditors were on-site for several weeks and reviewed documentation related to expenses, charges, statistics, provider-based physicians, and home office and related parties. The hospital-based home health agencies (HHA) included on the same cost report were also examined for overstated program reimbursement. Audit findings document numerous instances of Medicare cost report abuse.
- Assisted in the review of reserve cost reports and the underlying documentation of a national hospital chain under investigation for fraudulent Medicare cost report filing. Assisted in the development of a large statistical database to analyze the reserve cost report issues. Approximately 450 Medicare cost reports were examined.
- Reviewed and evaluated cost reports and underlying documentation used by a healthcare consulting firm under investigation for fraudulent Medicare cost report preparation and reopenings. The consulting firm prepared Medicare reopening requests that may not have disclosed known errors resulting in excess provider payments, yet sought reimbursement for errors resulting in additional payments to the providers.



Term of Contract

July 1999 to 2001

Client Contact:

Dan Anderson, Trial Attorney U.S. Department of Justice Room 9929, Patrick Henry Building 601 D Street Washington, DC 20530-0001 Phone: (202) 616-2451

4. Effective Working Relationships

Myers and Stauffer's practice is focused on serving government health care agencies. We pride ourselves in the fact that our integrity has never been questioned and we have never had a contract dispute with any client, nor a contract terminated for cause. Our success was built on providing exceptional service to government health care agencies. We encourage the evaluation committee to contact any of the individuals listed on the preceding experience pages or on our Proposer References Form. We are pleased to include professional reference letters from our state agency clients in addition to the listed references to demonstrate the firm's ability to establish and maintain effective working relationships with our clients.

5. Client References

Myers and Stauffer has the reputation of being professional, knowledgeable, courteous and timely with its projects. In addition to the references provided below, we have included the Proposer References form in the Forms section of our proposal.

Indiana

Pat Nolting, Director, Program Operations-Acute Care 402 W. Washington Street, W382 Indianapolis, IN 46204 Phone: (317) 232-4318

Melanie Bella, Assistant Secretary Office of Medicaid Policy and Planning 402 W. Washington St., Room W382 Indianapolis, IN 46204 Phone: (317) 233-4455

Iowa

Eileen Creager, Bureau Chief Department of Human Services Hoover State Office Building, 5th Floor 1305 E. Walnut Street Des Moines, Iowa 50319 Phone: (515) 281-5169

Idaho

Kathleen Allyn, Deputy Administrator Division of Medicaid Department of Health and Welfare P.O. Box 83720 Boise, ID 83720-0036 Phone: (208) 334-5747



New Mexico

Anna Bransford New Mexico Human Services Department 2025 S. Pacheco, Ark Plaza Santa Fe, NM 87505 Phone: (505) 827-3127

Montana

Kelly Williams, Administrator Department of Health and Human Services 111 Sanders Helena, Montana 59601 Phone: (406) 444-4147

Pennsylvania

Bonnie Rose, Director of LTC Provider Services DPW Complex #3 – 4th Floor 1401 N. 7th Street Harrisburg, Pennsylvania 17102 Phone: (717) 772-2570

Kansas

William C. McDaniel, Administrator 915 SW Harrison Topeka, Kansas 66612 Phone: (785) 296-0703





Office of Medicaid Policy and Planning
402 W. WASHINGTON STREET, ROOM W382
INDIANAPOLIS, IN 46204-2739

Katherine L. Davis, Secretary

April 29, 1998

To Whom It May Concern:

This letter is a professional reference for the firm of Myers and Stauffer, LC, which has performed services for the State of Indiana in a variety of Medicaid health care reimbursement areas since 1982. I personally have been involved in activities with Myers and Stauffer since 1995, when they were awarded the hospital audit and rate-setting contract.

The services currently provided to us by Myers and Stauffer on the hospital contract include the following:

- 1) Ensure receipt of and perform desk reviews of cost reports for all Medicaid-enrolled hospital providers, including acute care hospitals, private psychiatric and rehabilitation hospitals, community mental health centers and state-operated hospitals.
- Perform desk reviews of cost reports filed by hospitals to verify completeness and accuracy; create and adjust to a Medicaid statistical report from electronic claims data. Maintain claims database for purpose of claims data analysis.
- 3) Perform field audits of hospitals upon request of OMPP. Such field audits are either full scope in nature, or shall be focused on specific issues that are identified.
- Determine which Medicaid-enrolled hospital providers qualify for disproportionate share hospital (DSH) payments. The determinations include preparation of a database that includes all information necessary to determine eligibility and calculate payment amounts.
- 5) Ensure receipt of cost reports related to provider-based RHC and FQHC expenditures from all enrolled providers. Conduct desk audits of provider data to identify necessary audits in order to insure the integrity of the reimbursement program.



- 6) Perform field audits of provider-based RHC and FQHC providers to insure an equitable cost settlement. Develop Medicaid statistical reports based on claims data for use in final settlement calculations. Revise provider-submitted cost reports to reflect audit findings and issue a Title XIX Notice of Program Reimbursement (NPR) for each provider. Maintain an accounts receivable and accounts payable function associated with these settlement activities.
- 7) Perform periodic interim settlements to facilitate proper cost reimbursement for provider-based and free-standing RHCs and FQHCs, as appropriate.
- Maintain staffing, data systems and other resources necessary to support rate setting under the DRG/LOC reimbursement systems, and perform tasks necessary to calculate updated DRG relative weights, hospital DRG base rates, hospital rates for the LOC, and other rates to support the State's inpatient prospective payment system.
- 9) Monitor the outpatient reimbursement system, and conduct fiscal analyses and rate setting activities related to the reimbursement of hospital outpatient services as deemed necessary by OMPP.
- 10) Conduct a study of APG outpatient reimbursement methodology including payment modeling and making recommendations to OMPP on changes to the payment methodologies.
- 11) Maintain current and appropriate rates for physician professional services reimbursed under the Resource-Based Relative Value Units (RBRVU) system and other professional and technical practitioner services; such as therapy, laboratory, and radiology services.
- 12) Develop revised dental reimbursement fee schedule as requested by OMPP and provide consultation services to evaluate OMPP dental reimbursement policies.
- 13) Provide additional analysis and support to evaluate Medicaid reimbursement levels in various non-institutional provider reimbursement categories, such as durable medical equipment, transportation, and other providers paid on a fee schedule basis.
- 14) Provide general consulting services on an as-needed basis to assist the OMPP with resolution of various program issues that arise.
- 15) Monitor Medicaid and Medicare legislation and federal rule making associated with all areas listed above and advise OMPP on those changes.

16) Prepare and provide supporting documentation and offer testimony at administrative and judicial hearings resulting from activities associated with all areas listed above.

The Office of Medicaid Policy and Planning, within the Indiana Family and Social Services Administration, has a staff of 70 persons and is responsible for administering Indiana's nearly \$3 billion Medicaid Program. Because our staff is small, the Office places great reliance on its many contractors for providing the analytical and program support necessary to properly evaluate and enhance Medicaid policy and program delivery.

Myers and Stauffer currently has three contracts with our Office: nursing facility case mix development and implementation; long term care rate-setting; and hospital rate-setting and auditing. All three were competitively procured with Myers and Stauffer selected as the optimal bidder for the State.

In its contractual capacity with the Medicaid Office, Myers and Stauffer has provided a staff of resources that are exceptionally well-trained, knowledgeable, professional, and unflinchingly supportive. Staff turnover that affects work performed under our contracts is rare, if not altogether nonexistent. Management of time and resources is outstanding as well.

Myers and Stauffer's overall performance and service delivery is unmatched by other contractors. Deadlines are always met or exceeded, work products are always comprehensive and of exceptional quality, and collaboration with appropriate State staff is always initiated and pursued with good judgment.

I highly recommend Myers and Stauffer for the performance of health care related services. Without their assistance, the Indiana Medicaid Office would not have been able to accomplish many of our short and long-term program and policy objectives.

Please feel free to contact me at (317)232-4318 if you have any questions concerning this letter of recommendation. I would be more than happy to discuss Myers and Stauffer's performance in greater detail.

Sincerely,

Pat Nolting, Director Medicaid Program Operations-Acute Care



State of Idaho

DEPARTMENT OF HEALTH AND WELFARE

Division of Medicaid

DIRK KEMPTHORNE
Governor

KARL B. KURTZ
Director

JOSEPH R. BRUNSON
Administrator

P.O. Box 83720 Boise, ID 83720-0036 (208) 334-5747 Fax (208) 364-1811

June 28, 1999

To Whom It May Concern:

I am pleased to offer this letter as a professional reference for the firm of Myers and Stauffer LC. Myers and Stauffer has provided a variety of Medicaid audit and reimbursement services for the state of Idaho since February of 1992. I personally have worked with Myers and Stauffer since 1994 in my capacity as Medicaid Division Deputy Administrator.

In addition to ongoing duties as the contract auditor/rate setter for the state of Idaho, Myers and Stauffer provided consulting services to the Department of Health and Welfare for the development of a prospective case-mix reimbursement system for nursing facilities. During this process Myers and Stauffer personnel attended a series of meetings with the Department of Health and Welfare and provider representatives and their consultant.

Initially, Myers and Stauffer provided the group with overviews of case-mix reimbursement systems from several other states and presented both the positive and negative attributes associated with each. Myers and Stauffer constructively assisted the Department and the group in defining desired goals and objectives of the new reimbursement system while, at the same time, representing the Department's interests in discussions with the providers' consultant. Once goals and objectives were defined, Myers and Stauffer prepared multiple reimbursement models with built-in flexibility to provide "what-if" type analyses during the meetings. These models and analyses saved valuable time and helped expedite the decision making process.

In this and other assignments, the staff of Myers and Stauffer have been competent, accessible, and thorough. They have a comprehensive understanding of the Medicaid reimbursement field and conduct themselves in a professional manner when working with state agency personnel as well as with providers of health care services. They are sensitive to the budget restraints within which state agencies must operate. Myers and Stauffer personnel have proven to be a valuable and effective resource for the state of Idaho.

I highly recommend the firm of Myers and Stauffer to any state agency requiring assistance in the health care reimbursement area.

Sincerely,

KATHLEEN P. ALLYN Deputy Administrator

Kathleen P. Allen



Docking State Office Building 915 S.W. Harrison, 150-S Topeka, KS 66612-1500 Phone (913) 296-4986 Fax (913) 296-0256

Bill Graves Governor Thelma Hunter Gordon Secretary of Aging

February 11, 1998

RE: Professional Reference for Myers and Stauffer, LC:

To Whom It May Concern:

It is a pleasure to offer this professional reference for Myers and Stauffer, LC. The firm has provided professional services related to health care reimbursement matters to the State of Kansas since the mid 1970s. They have worked under contract on the hospital, pharmacy, nursing facility and intermediate care facility for mentally retarded programs. Services are performed in a timely, professional manner, and meet the needs of the State.

My primary involvement with Myers and Stauffer personnel, first at the Kansas Department of Social and Rehabilitation Services (SRS) and now with the Department on Aging, is in the area of nursing facility (NF) reimbursement. The NF program and the related interaction with Myers and Stauffer were transferred from SRS to the Department on Aging, effective July 1, 1997. They have maintained the NF cost report and resident assessment data bases which are used to determine upper payment limits and rates. They provide consultation services and assist in preparing the Medicaid annual findings and State Plan exhibits.

Myers and Stauffer personnel assisted SRS staff in preparing an application to participate in the National Nursing Facility Case Mix Demonstration Project. The grant was awarded in 1989. The Kansas Medicaid Demonstration project evolved into the national Medicare demonstration project in which we continue to participate.

Myers and Stauffer, LC has served as the primary contractor for the Kansas case mix demonstration project. They have assisted SRS staff in the meetings with the Case Mix Advisory Committee and the Quality Assurance, Resident Classification, and Reimbursement work groups. They modeled various Medicaid case mix payment systems and were instrumental in the design, with input from the stakeholders, of the system which was implemented by Kansas in July, 1994.

Myers and Stauffer staff developed and have maintained the Kansas resident assessment data base and the resident classification system, using the federal Health Care Financing Administration (HCFA) protocols. Kansas uses the Minimum Data Set (MDS), Version 2.0, resident assessment, and the Resource Utilization Groups III (RUGS III), resident classifications. The MDS data base and resident classifications are used in determining the case mix adjusted payment rates.

Page 2 Myers and Stauffer Reference Letter February 11, 1998

Kansas electronically submits the resident assessments to HCFA. The MDS data base and RUGS III resident classifications have been used in the Medicare demonstration project for determining rates under the case mix adjusted, prospective payment system (PPS). The federal Balanced Budget Act of 1997 included the provision to implement Medicare's new case mix PPS for skilled nursing facilities for fiscal years beginning on or after July 1, 1998.

I would not hesitate to recommend the firm of Myers and Stauffer to state agencies looking for professional services related to health care rate setting and reimbursement.

Sincerely,

Sill March

Bill McDaniel, Director

Nursing Facility Rate Setting

Administrative Services Commission

BRM

c Commissioner Alice Knatt



NEW MEXICO HUMAN SERVICES DEPARTMENT

P.O. Box 2348
Santa Fe, New Mexico 87504-2348
MEDICAL ASSISTANCE DIVISION



July 3, 1997

To Whom It May Concern:

This letter is to provide a professional reference for the firm of Myers and Stauffer LC. Myers and Stauffer LC has been our audit agent and consultant for hospital, FQHC, HHA, and hospice reimbursement issues since March 1996. The knowledge and expertise they have provided to our agency have been invaluable to us in managing our current program and preparing for the future. They have brought professionalism and rigorous standards to the cost settlements of TEFRA hospitals, DRG hospital outpatient services, FQHCs, and other cost-reimbursed providers, and have provided consulting assistance to us in a number of key areas.

Myers and Stauffer LC has been responsible for determining disproportionate share hospital (DSH) eligibility, and payment amounts under the existing state plan and regulations for historical periods 1993 through June 30, 1997. In addition, they have been of considerable assistance to us in developing a DSH plan to be effective this July that will achieve the State's indigent care funding objectives under our new managed care delivery system.

In the area of DRG reimbursement, Myers and Stauffer LC assisted our Fiscal Agent in correctly recalibrating DRG weights for the Version 12 grouper, identifying and resolving a number of problems that had led to erroneous rates in the initial implementation. They have also recently completed computations for new DRG base rates that we will be implementing retroactive to October 1994. When providers have raised questions regarding DRG rate setting and other reimbursement issues, Myers and Stauffer has been able to supply solid answers, thereby increasing provider confidence in our program.

In the area of FQHC reimbursement, Myers and Stauffer has helped us increase our control over expenditures. They have accurately and fairly applied Medicare and Medicaid reimbursement principles to cost settlements, some dating back to 1991. They have developed an electronic Medicare/Medicaid cost reporting form and have provided training to facilities in proper cost reporting procedures. Recently, they have assisted us in developing policies and procedures for appropriately reimbursing FQHCs that provide services to Medicaid clients enrolled in managed care organizations (MCOs).

Senior management of the firm have been very accessible and have taken an active role in our projects. I would recommend Myers and Stauffer to any state requiring assistance with its Medicaid Program.

Sincerely,

Ramona Flores-Lopez

Deputy Director

DRUG FREE

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES



MARC RACICOT GOVERNOR

LAURIE EKANGER DIRECTOR

PHONE: (406) 444-4077

SENIOR & LONG TERM CARE DIVISION PO BOX 4210

HELENA, MT 59604-4210

June 28, 1999

RE: Professional Reference Letter for Myers and Stauffer LC

I am pleased to offer this letter of reference for the firm of Myers and Stauffer LC.

The state of Montana has had an ongoing contractual relationship with Myers and Stauffer since 1990. During that time they have provided a wide array of professional services to the state of Montana, including Medicaid cost report audit services and consultation on complex state plan and reimbursement issues.

Most recently Myers and Stauffer has been involved with the Department in the development of a RUG's III based case-mix reimbursement system. Senior management of the firm has played an active role in the development of the system through attendance at meetings, and through detailed modeling of alternative reimbursement approaches. They have participated in formal and informal meetings presenting case mix issues to state, nursing facility and patient advocacy representatives.

Myers and Stauffer staff perform audits of nursing facility, federally qualified heath center and rural health clinic Medicaid cost reports for Montana. These audits address cost report compliance with Medicare and Montana Medicaid reporting requirements. Their staff also assists in resolving appeal issues that arise through the audit process.

Throughout the course of our relationship with Myers and Stauffer they have demonstrated a thorough understanding of healthcare reimbursement issues through their knowledge of Medicare and Medicaid reimbursement principles. Myers and Stauffer staff are continuously accessible and timely in their response to requests for information and inquiries. The personnel assigned to our engagements have consistently conducted themselves in a friendly and professional manner.

I highly recommend the firm of Myers and Stauffer LC. Please feel free to contact me at (406) 444-4147 if you need any additional information.

Sincerely,

Kelly Williams, Chief

Nursing Facility Services Bureau

"An Equal Opportunity Employer"



COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE

OFFICE OF MEDICAL ASSISTANCE PROGRAMS

LONG TERM CARE PROVIDER SERVICES

P.O. BOX 8025 HARRISBURG, PENNSYLVANIA 17105-8025

(717) 772-2570 www.dpw.state.pa.us/omap

To Whom It May Concern:

Re: Professional Reference for Myers and Stauffer LC

I am pleased to offer a professional reference letter for the firm of Myers and Stauffer LC. They currently have a contract with the Commonwealth of Pennsylvania to provide nursing facility case-mix rate setting and consulting services. These services include coordinating the electronic submission of Minimum Data Set information and classifying the data using the Resource Utilization Group hierarchy. This classification is then used along with cost and appraisal information to determine nursing facility case-mix rates. Myers and Stauffer LC has provided training for the state and providers and also maintains an ongoing telephone support system. Most recently, Myers and Stauffer LC has assumed the responsibility for maintenance of the HCFA database of MDS and OASIS data.

The contract required Myers and Stauffer LC to establish an office in Harrisburg, Pennsylvania. They did so quickly and efficiently and staffed the office with qualified personnel. The personnel whose vitae were included in the proposal were the personnel who actually performed the services for the contract.

To date, Myers and Stauffer LC has consistently provided services of high quality in meeting the requirements of this contract. They have always been cooperative and efficient in dealing with requests, and are willing to do what is necessary to meet contractual timeframes. Personnel of Myers and Stauffer LC have always been available for consultation on any issues that have arisen. They have been willing to evaluate and offer solutions for problems that were encountered. The senior management of Myers and Stauffer LC has been involved when necessary with the project and are available on location as needed.

Based on work completed to date, I highly recommend the firm of Myers and Stauffer LC for other state agency work similar to that outlined above.

Sincerely,

Bonnie L. Rose

Jonnie L. Rose

Director



E. Work Plan

1. Overall Approach to Accomplish the Scope of Work

Health care reimbursement is a complex and specialized field requiring years of training and experience to provide qualified and comprehensive consulting and support. Myers and Stauffer has assembled and developed the staff necessary to perform a wide variety of professional services, including those required by this RFP. We understand that services will be provided on an as needed basis and acknowledge it is DHS' right to amend contract services should funding for this project be reduced or unavailable. Myers and Stauffer has written management policies and standard operating procedures to monitor project operations that enhance our ability to meet all contract requirements and time frames. Our firm has the management expertise to adjust to the dynamic nature of this engagement.

Our first task after contract award will be a meeting with senior members of the Myers and Stauffer project team, DHS staff and other state personnel, as appropriate. Prior to the meeting, we will provide DHS a list of topic issues and/or questions that we would like to address. During this initial meeting, we will discuss your project expectations in more detail including a review of current litigation activity, pending or potential litigation and other areas of concern. A successful initial meeting will open the lines of communication and ensure the project gets off to a good start.

Our project staff will work with DHS to develop a comprehensive understanding of issues involved and California's health care environment to determine how this engagement will affect or be affected by these various factors.

From documentation we obtained, we understand the Medi-Cal Policy Division is responsible for administering policy development, interpretation and implementation of the State's Medi-Cal program and is divided into three branches: Benefits, Eligibility, and Rate Development. The Rate Development Branch establishes rates (both fee-for-service and capitated) and conducts rate and cost containment studies. Although this RFP is from the Rate Development Branch of the Medi-Cal Policy Division, the documentation lists responding to lawsuits involving the California Medi-Cal program as a function of the Eligibility Branch. One initial step will be to become familiar with the Policy Division, the three branches and how the contractor interacts with each.

Myers and Stauffer will work with DHS to identify and prioritize services (necessary to support current litigation activity) and we will develop a calendar and detailed work plan. We will compile a list of data and information needed to begin our analyses including court documents, supporting materials and existing database. We will provide DHS an updated work plan memorandum reflective of our data and information needs and of our mutual understanding of the project. We have provided an example of our approach to completing project assignments in Section 5 of this work plan.



Throughout the contract, we anticipate preparing and reviewing documents to be used as exhibits at hearings, assisting in the formulation of case strategies and providing technical input regarding discovery proceedings. We are available to attend hearings and provide expert testimony upon the Department's request without a subpoena and provide technical assistance to the Department's staff attorneys concerning Medicaid reimbursement issues and strategies. Our working knowledge of reimbursement systems can offer the Department additional insight into these proceedings.

We are available to attend either regularly scheduled meetings or meetings scheduled on an asneeded basis with the Department to address current issues. We are also available to assist the Department with initiatives or inquiries from other governmental agencies and provider groups to address reimbursement issues and projecting expenses for Department budgets. We will make available experienced and knowledgeable staff to be responsive to and interact with the Department and offer both phone contact support and written communication as needed.

We recognize that short timeframes are also periodically imposed on the Department, and we are prepared to accept those timeframes. Our appreciation of the need for timely and competent responses is well founded and based on many years of experience with state Medicaid agencies. We will strive to meet and exceed the Department's timeliness expectations.

We fully appreciate the importance of producing high quality work. We recognize our work products, including formal reports and documentation as well as informal communications, must be able to withstand scrutiny by other Medicaid program stakeholders such as legislators, providers, consumer advocates and other governmental agencies. Our quality assurance system involves a second review of all key deliverables by senior or management staff who did not participate in their preparation. Additionally, when critical or sensitive issues are involved, our quality assurance partner will perform further consultation and review. This partner is not associated with the engagement directly, but is available to the project team as needed to assure that all products and services are of the highest quality and meet or exceed the Department's expectations.

Currently, we understand the following are required services.

a. Analyzing and presenting rate, payment and utilization information, and relating such information to cost information and/or issues raised in litigation and regulation development.

While the primary function of any rate calculation system is to establish rates, the resulting databases contain a wealth of information that can be summarized into various management reports for use in monitoring and controlling the Medicaid system. Assessing the impact of proposed regulation changes, budgeting, growth control, or litigation support are just a few areas these reports could benefit.



Our proposal anticipates being available on a regular basis to assist the Department in analyzing rate, cost and statistical information. Common applications for such analyses include providing fiscal estimates of anticipated or proposed changes to regulations affecting reimbursement methodology, or responding to legislative inquiries concerning Medicaid expenditures. When requested, our project team will meet with agency staff and gather information about the perceived areas needing evaluation.

Myers and Stauffer has experience with both rate development and review. We have established rate review protocols that include development of rate calculation models and standards of professional review sufficient in scope to verify the completeness, mathematical accuracy, reasonableness and allowability of a provider's reported costs. Analyses we may perform include rate to cost analyses, review of program parameters, quartile provider analyses, direct vs. indirect cost comparisons, ratios of reimbursement to cost, staffing analyses, occupancy or utilization review. These are each discussed briefly below.

Rate and Cost Analyses

Several studies and analyses of estimated allowable costs and estimated or pro forma rates can be performed. Examples of studies and analyses include: "Percent of Providers Receiving Estimated Allowable Cost" or "Percent of Providers Receiving a Percentage of Estimated Allowable Cost." Steps should be taken to minimize instances of circular logic. That is, avoiding assumptions, having a basis only in the rate setting criteria.

Program Parameter Review

It is recommended that all major rate setting parameters and assumptions be tested periodically against empirical data. Examples include tests of minimum occupancy standards, inflation methodologies, and payment limit tests. Parameters and assumptions may be tested for their reasonableness and relationship to the existing health care environment and their effectiveness in meeting program goals and objectives.

Quartile Provider Analyses

These types of analyses group providers into quartiles based on costs, either total costs or various cost components. Comparisons can then be made among quartiles to evaluate distribution and variation in costs. Consideration should be given to the level of acuity in the population served.

Direct Versus Indirect Cost Comparisons

These studies compare the direct cost of providing services, for example nursing costs in a nursing facility, to indirect costs such as administration. We might compare providers with high ratios of direct care to indirect care to those with high rations of indirect care to direct. It may also be useful to compare indirect and direct cost increases over time to indices used to inflate base period costs used in rate calculations. Levels of direct and indirect costs could also be compared to provider ownership structures or other criteria, such as management structure.



Ratio of Reimbursement to Cost

These type of analyses rank order providers from high to low by total cost, direct cost or indirect cost, or other logical categories to determine what percentage of costs is covered by the reimbursement rate. These analyses can be used to evaluate the impact of rate methodologies and their effectiveness in promoting efficiency and economy. The findings can be strengthened by incorporating measures of quality and acuity into the analyses.

Staffing Analyses

These studies provide information on the relationship of staffing mix, staffing cost and staffing turnover.

Occupancy and Utilization

Studies can compare state-specific data to national trends. Comparisons can also be made based on percent of cost covered. Another approach is to evaluate reasons for variance in occupancy or utilization such as, regional differences, variation in demand, alternative services, provider management or service strategies.

In addition to analyzing rate and payment data, it is important to monitor developments in the Medicaid programs. State agencies are being challenged not only by increasing numbers of eligible individuals but also shrinking dollars to fund their programs. State agencies are assessing their current systems to determine how best to meet the needs of the individuals in the most cost effective manner. States have had to respond to federal mandates and implement new programs with existing staff that stretches their resources. State agency personnel have had to learn new programs and become experts in many different areas. We will analyze existing Medicaid policy as documented in law, manuals, handbooks, states plans, and other official documents and prepare written recommendations on the adequacy of such policy and any such suggested changes.

We can assist in drafting state regulations and in assessing the impact those regulations will have on the conflicting interests of concerned parties. We will participate in any task force meetings formed to study issues related to changes in regulations.

b. Reviewing court documents, discovery materials, and other relevant materials, and preparing analyses appropriate to litigation

It has been our experience that collecting the necessary data for projects of this magnitude can frequently be a time consuming and ongoing process. Therefore, we like to start this process upon receipt of project assignments. We will review documents that relate to current litigation including state plan sections, regulations, reimbursement policies and rate material, state plan database extracts and current program models.



We understand that the litigation process can continue for many years and that project staff will need to be readily available throughout the contract. Our staff are ready to review materials as they become available and to assist the state and its counsel in preparing analyses and responses to support their position

We also understand the following services may be requested for this project.

a. Developing and maintaining automated databases used to facilitate analyses of issues in litigation and regulation development and to serve as the foundation of an evidentiary base to support issue statements, arguments and proposals in meetings, public hearings and trial proceedings.

To respond to the challenges that state agencies face in public forums, including litigation, the evidentiary databases have become essential for all state agencies. Though originally intended to promote the efficient calculation of rates and to provide information for administrators and policy makers on the progress of the system toward the state agency's goals and objectives, these databases have become the basis for documenting the state agency's reasoned decision making. Typically the evidentiary database provides snapshots of the reimbursement system at regular intervals of time. These historical databases allow the state agency to project various reimbursement or payment alternatives. They provided information for the findings processes and authority for justification of rates, which are intended to inform the public of the states Medicaid policies.

From considerable experience with providing information to state agency personnel, advocacy groups and others, our project staff realize that data, no matter how well arranged in a database, is not information. To be useful, a database must provide for the efficient storage and retrieval of data and the production of informative, useful reports or exhibits. We are adept at arranging, translating and interpreting available data into concise, informative reports.

We currently provide database maintenance and management for many states including Colorado, Kansas, Indiana, Iowa, Pennsylvania and Wyoming. From these databases, we calculate rates in accordance with the provisions of the state plan, provide studies and analyses that form the basis of the state's justification of rates, provide management reports used by policy makers in decision making, and provide custom reports in response to management needs.

We feel it is advisable to address each element of the reimbursement system in our analyses. For example, if the reimbursement system incorporates a minimum occupancy standard, it is advisable to perform an analysis of this standard. The analysis should be designed to determine if this reimbursement variable assists the state in meeting its goals or if it is creating an additional obstacle to overcome if the reimbursement system is challenged.

Examples of databases we have analyzed or managed include:



- Cost report data for various provider types
- MDS and OASIS assessment data
- Rate setting calculations and rate history
- Medicaid paid claims data

b. Constructing and updating, as necessary, a computer model of a Medicaid reimbursement system for various providers, including but not limited to long-term care, hospital and outpatient facilities for the purpose of analyzing individual reimbursement variables (i.e., geographic location, inflation factors, audit adjustments, etc.) and their relative impact on the total reimbursement system.

We have successfully used reimbursement modeling to assist our clients with both the decision making and communicating proposed changes to concerned recipients, providers and others. Models typically provide a numeric snapshot of the current system and allow testing of changes to various program parameters. This can be used to determine how reimbursement rates will be affected by proposed or enacted regulatory changes and to estimate the impact on the state budget.

Myers and Stauffer has used modeling in contracts with many states including Kansas, Wyoming, Indiana, North Carolina, Colorado, Louisiana, Montana, Nevada, Pennsylvania, Missouri and Hawaii. These contracts often included presenting models we prepared in public forums. To develop appropriate models, the consultant must understand the system being modeled and the environment in which it operates. This requires close consultation with the state agency personnel as they have information regarding policies and rules and regulations interpretations affecting the operation of the system which may not be apparent to the outside observer.

To develop reimbursement models, cost data must be obtained, current rate setting parameters need to be defined, potential change options identified and documented in the pro forma calculations.

c. Analyzing the financial condition of designated classes of providers over time, with a specific focus towards relevant issues arising in litigation and regulation development.

Myers and Stauffer provides our state Medicaid agency clients with various levels of cost report verification, rate setting, and data base management functions on over 4,000 cost reports



annually Our experience includes audits and desk reviews of nursing facilities, intermediate care facilities for the mentally retarded, hospitals, federally qualified health centers, rural health clinics, home health agencies and community residential facilities for developmentally disabled.

In addition to our extensive Medicaid cost report financial review experience, we are also knowledgeable about more traditional financial reporting issues (e.g., GAAP based balance sheets, income statements, etc.). This knowledge will allow us to address a broad spectrum of financial related issues of interest to Medi-Cal. Since Myers and Stauffer is a CPA firm, the credibility of our work product in this area will be enhanced.

We will prepare required analyses to examine overall facility profitability, to assist the state in assessing the overall financial health of the provider community, or to address other specific issues that may arise.

d. Analyzing budget, reimbursement, and industry economic trends as they relate to litigation and regulation development.

As in most states, Medicaid represents a large portion of the state's budget. Throughout the course of this contract, we may be asked to analyze and evaluate the impact various strategies, for both reimbursement changes or litigation settlements, may have on the state's budget.

Our goal will be to develop pro forma budget and forecasting analyses to allow sufficient review of these strategies. Our evaluations would include estimated program expenditures, estimated provider costs and rates and any other information requested by policy makers as it impacts either litigation or regulation development.

We may also be asked to evaluate either industry or economic trends. Myers and Stauffer has experience in collecting, arranging, matching and analyzing information gathered from various sources to provide useful information.

e. Analyzing publicly available national information and information from other states, as it relates to litigation and regulation development.

Along with the knowledge gained through hands-on experience, project staff will have, at their fingertips, state-of-the-art research tools such as ability to perform Internet searches, online access to CCH, and access to on-line law libraries

We have developed a library of published resource materials in multiple disciplines, such as accounting, auditing, health care and reimbursement. These resources enable us to respond to client requests for comments and observations regarding various issues. This resource library

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Certified Public Accountants

contains all necessary federal and state laws and regulations that pertain to the Medicaid program.

We monitor CMS websites on a daily basis for revisions, upgrades, and publication of new federal requirements relative to the Medicaid and Medicare programs. We update state department clients on the impact changes may have on the programs they administer. We strive to stay abreast of the new state plan requirements as well as the types of information and documentation requested by CMS regional and central offices. Also, our staff are members of national associations to stay current on national, state and local health care issues and are active in association activities and conferences.

We have a network of professionals across several states that contribute to our professional expertise. Exposure to a multitude of other state Medicaid systems allows us to both increase our expertise and anticipate client needs based on our experience with other Medicaid programs.

f. Performing analysis and research to produce explanatory text and graphics to support litigation and regulation development.

Myers and Stauffer will conduct research and perform the appropriate statistical or other analyses for health care cost, utilization and reimbursement studies as needed by DHS. Our ability to perform these analyses is enhanced by our firm's computer environment, which includes Intel Pentium computers equipped with Visual FoxPro, STATISTICA, SPSS and Excel. We are skilled in Visual Basic, Microsoft Excel, Microsoft Access, Oracle, Microsoft Word and many other applications.

We understand that reimbursement models and statistical analyses can be very complex. Our project team will not only create models and perform various statistical analyses but we will also generate explanations using easy to understand language and visual aides. When explaining complex concepts to judges and legislators who are not intimately involved in the details, it is critical that the contractor develop easy to understand presentations.

g. Designing and preparing trial exhibits, document production requests, and other pleadings, and other written and/or oral testimony, where appropriate, in connection with litigation and regulation development.

We are experienced assisting our clients prepare for trial. This includes reviewing provider claims, assisting in the production of document requests and responses, preparing trial exhibits and reviewing trial motions and briefs. Our staff has compiled evidentiary material for



administrative rate reconsiderations and appeal hearings. They have also provided written and oral testimony at hearings, settlement conferences and trials. We stay current on developments so that we are able to assist agency attorneys in formulating litigation strategies.

Prior to any writing, we will work with Department staff to gain an understanding of the intended audience. Drafts will then be provided to ensure that all communication needs are fully met. We focus on the "big picture" when communicating complex issues, providing clear and concise understandable communications.

h. Analyzing and evaluating Medicaid reimbursement levels over time.

A primary goal of a reimbursement system is to provide rates sufficient to allow the provision of quality care and to minimize provider appeals while controlling costs. We will assist DHS with the evaluation of Medicaid reimbursement levels over time through various statistical analyses and provide input into potential system refinements. Potential analyses variables include size, specialization of providers, geographic location or level of care.

Certain economic factors and market data may also be used when evaluating reimbursement levels for services purchased through the Medicaid program. A number of factors can influence provider costs including the general wage level within the community or state, unemployment levels, benefits provided by competing employers, insurance costs, interest rates and taxes. Also, comparisons can be made between charges to the private market for services and the rates paid by the Medicaid program.

After determining availability and relevance of the various data to our evaluation, we will collect and analyze the data necessary to complete the requirements of the RFP. Drawing upon our extensive Medicaid projects across the nation will enhance our ability to perform the needed analyses and evaluation.

i. Providing expert testimony for litigation and regulation development.

During our more than 25 years of experience in the health care arena, Myers and Stauffer personnel have participated in all aspects of litigation support activities and have served as both fact and expert witnesses for state Medicaid agencies in administrative appeal hearings and lawsuits in federal and state courts. In addition, we have had numerous opportunities to present and explain our work products to CMS, state legislative committees, provider associations and other groups interested in our clients' initiatives.



Our in-depth knowledge of federal law, federal regulations, state law, state plan and state regulations, coupled with our previous experience providing expert testimony and presentations, will allow us to successfully provide the services required of this contract. Project team members are experienced in providing clear and concise explanations of their work product and have the capability to withstand the pressures and stress that can exist during a hearing or cross-examination. In addition to providing expert testimony for litigation or regulation development, we will be available throughout the contract to meet face-to-face or via teleconference with DHS and its counsel to discuss strategies or participate in mock hearings.

j. Analyzing the effects of federal or state requirements on various provider reimbursement related issues.

Providing consulting services in the current volatile Medicaid environment in a competent and timely manner, requires a complete and current understanding of relevant statutes, rules and regulations that govern the constantly changing environment. During the course of this project, various issues pertaining to state and federal laws and regulations may arise. Consideration must also be given to the court decisions that interpret state and/or federal legislation and related regulations.

Our project staff will monitor proposed and final state/federal legislation and regulations and court decisions regarding the Medicaid and or Medicare program. Through on-going research activities, we can anticipate certain issues and problems that may be encountered by the Department.

Staff will provide information to the Department on court decisions, state statute, federal laws and regulations and assist the state in researching and resolving any issues. We will provide the Department with an analysis of the impact changes may have on the state's Medicaid program including strategies for balancing the conflicting interests of recipients, advocates, taxpayers, legislators, and others.

k. Preparing and submitting Monthly Work Summary Reports which shall address all project deliverable requirements and performance requirements. The Monthly Work Summary Reports shall include detailed updates of all goals, objectives/deliverables, functions, tasks, activities, and project milestones. Monthly Work Summary Reports are due to DHS no later than 15 calendar days after the end of each calendar month, for the month that is being summarized in that Monthly Work Summary Report.

We will provide the Department with monthly status reports to track the progress of the project tasks. The reports will show all tasks, both scheduled and completed. These reports will be



delivered no later than 15 calendar days after the end of each month, and will include pertinent findings or occurrences that could impact the successful and timely completion of the project. We will include a discussion of any significant problems or issues that have been encountered, along with our proposed solutions.

At the initial meeting, we will discuss the format and routing instructions for the report to ensure that the reporting formats meet all of the Department's needs. We have performed similar reporting activities and understand the importance of keeping our clients updated on the status of our activities. The firm's management plan is vested in collaboration with the client. We believe that open communication and discussion throughout the engagement ensures that all needs are identified and met.

2. Benefit of Approach/Method Chosen

We believe that reasoned decision-making processes, supported by appropriate documentation, helps to develop defensible positions for states with respect to their Medicaid rate setting methods.

Our project management approach has been developed over more than 25 years of successful engagements. As policy and reimbursement concepts have evolved over the years, Myers and Stauffer has been quick to adopt and extend refinements to the benefit of our clients. Key aspects of our general approach include:

- Preliminary Discussions: Before producing any work product, discussions are held to confirm our clients' objectives and determine availability of required data. Copies of current litigation materials, court documents, regulations, rates, cost report data and other useful data are obtained and reviewed. From the preliminary discussions, we determine any necessary technical changes or clarifications to our proposed work plan and produce a revised plan.
- Data Collection and Analyses: Relevant data is obtained from various sources including, but not limited to, departmental staff, fiscal agents and providers, and organized into appropriate databases. Data is checked for integrity and accuracy. Data is analyzed to determine appropriate responses to client objectives.
- Collaboration with Client: Myers and Stauffer's multi-state technical experience cannot substitute for the knowledge of Medicaid agency personnel. Given this fact, we maintain ongoing discussions to gain the benefits of our client's insights and to ensure they are aware of any concerns that require further study. We also share preliminary findings and make adjustments as needed. We will discuss pertinent findings, which may impact the completion of the project, any difficulties discovered and progress on scheduled tasks. The litigation project director and litigation project manager will be available for telephone conferences and meetings as necessary to meet the needs of the Department.



■ Report Preparation: Reports, data files, analysis tools and all other deliverables are drafted and sent to the client for their review. Additional work papers may be requested to further clarify points addressed in the reports. Comments and/or revisions are incorporated into the deliverable before final release.

Myers and Stauffer is quick to evaluate, adopt and extend refinements to the benefit of our clients. We believe this approach provides the state with its best chance for long-term satisfaction with this project.

3. Unique, Creative or Innovative Approach/Method

The California Medicaid program, like Medicaid programs across the nation, has experienced significant increases in expenditures over the last several years. Medicaid policy makers must be in a position to address inquiries from legislators, taxpayers and other stakeholders, as well as be prepared to modify program payment methodologies to control spending within budgetary constraints. The state needs a contractor that can interpret the vast amounts of data being generated by the many different participants in each of the programs areas and bring fresh ideas to the table to assist the state in meeting its objectives. Myers and Stauffer is committed to providing this support.

- A team that is expert across the entire spectrum of desk review, audit, rate setting and reimbursement consulting issues. This unmatched level of expertise will allow us to properly focus our effort on issues relevant to provider reimbursement and program management. It will also allow us to properly refocus our efforts as the reimbursement systems continue to evolve. This, in turn, will ensure that the Department's objectives for provider reimbursement are realized in a complex and ever-changing health care environment.
- Demonstrated multi-state performance of duties identified with those required of the litigation support contractor. This includes a track record of trouble-free start-up and implementation of major Medicaid contracts.
- Expertise in nursing facility reimbursement, including multi-state experience setting nursing facility case mix rates, MDS data management and RUG calculations.
- A unique mix of qualifications in institutional and non-institutional provider settings, analyses of health care costs and utilization, and investigation of fraud and abuse in cost-reimbursed programs.

This engagement is about more than providing support for current litigation. The successful bidder must not only provide all services necessary to meet the state's needs in defending existing payment systems, but must also provide competent advice on future issues to best position the state to avoid future litigation, Myers and Stauffer has the experience, knowledge and desire to fulfill these needs.



4. Complications or Delays

Given the nature and potential length of the litigation process, it is unrealistic not to expect complications or delays. The contractor must be capable of maintaining documents and databases that are easily retrievable at a moments notice.

Our project team members have the needed expertise to manage any such complications or delays. For this type of engagement, work plans must remain flexible. Throughout the project, staff will monitor the work plan and timeline and notify DHS if concerns or delays should occur.

5. Specific Tasks/Activities and Functions in Work Plan

The following table shows the primary responsibilities for performing each major task by project staff.



Personnel Assignment By Task
Analyzing and presenting rate, payment, and utilization information, and relating such information to cost information and/or issues raised in litigation and regulation development.
Reviewing court documents, discovery materials, and other relevant materials, and preparing analyses appropriate to litigation.
Developing and maintaining automated databases used to facilitate analyses of issues in litigation and regulation development and to serve as the foundation of an evidentiary base to support issue statements, arguments, and proposals in meetings, public hearings, and trial proceedings.
Constructing and updating, as necessary, a computer model of a Medicaid reimbursement system for various providers, including but not limited to long-term-care, hospital, and outpatient facilities for the purpose of analyzing individual reimbursement variables (i.e., geographic location, inflation factors, audit adjustments, etc.) and their relative impact on the total reimbursement system.
Analyzing the financial condition of designated classes of providers over time, with a specific focus towards relevant issues arising in litigation and regulation development.
Analyzing budget reimbursement, and industry economic trends as they relate to litigation and regulation development.
Analyzing publicly available national information and information from volher states, as it relates to litigation and regulation development.



Personnel Assignment By Task	Kevin Londeen	Kathryn Wade	кесизи Виоу	Ату Реггу	Kierstin Bittel	Scott Simerly Kristy Burns	Mike Evans	Chris Powell	Robin Pugh	Гезјеу Вгоwп	Trinity Govt. Systems	Yst nsira	Cheryl Richter
Performing analysis and research to produce explanatory text and graphics to support litigation and regulation development.				>			>		>	>		>	<u> </u>
Designing and preparing trial exhibits, document production requests, and other pleadings, and other written and/or oral testimony, where appropriate, in connection with litigation and regulation development.	>	>	>	>			>		>	>		>	>
Analyzing and evaluating Medicaid reimbursement levels over time.	>	>	>	>			>		>	>		>	>
Providing expert testimony for litigation and regulation development.	>	>	>	>									
Analyzing the effects of federal and state requirements on various provider reimbursement related issues.	>	>	>	>			>		>				
Preparing and submitting Monthly Work Summary Reports which shall address all project deliverable requirements and performance requirements. The Monthly Work Summary Reports shall include detailed updated of all goals, objectives/deliverables, functions, tasks, activities, and project milestones. Monthly Work Summary Reports are due to DHS no later than fifteen (15) calendar days after the end of each calendar month, for the month that is being summarized in that Monthly Work Summary Report.	>	>		>									

The following provides a general example of our approach to completing the assignments as they are received from DHS. Upon contract award, project staff will meet with DHS to establish overall goals and objectives of the project and gather pertinent documents and data. Upon review of the information and data received, Myers and Stauffer will prepare a list of additional information and data needed to provide the services of this contract. As assignments are received, we will work closely with DHS to define the goal, outline major objectives, develop timelines and define performance measures and/or deliverables. Project staff will generate a detailed work plan for each assignment using the format below as illustrated in Attachment 10 of the RFP for DHS to review and approve. Performance will begin upon receipt of final approval by DHS.

Goal X: Enter goal description here

Goal X:	Enter goal description here		
Major Objectives	Major Functions, Tasks, and Activities	Timeline	Performance Measure and/or Deliverables
1. To be	1.1 Receive assignment from DHS	Milestone	
determined based on assignment received	1.2 Meet with DHS to outline goals and objectives	To be completed within one week upon notice	
1001/04	1.3 Perform initial needs analysis	To be completed within two weeks after meeting	
	1.4 Develop detailed work plan and finalize data needs		
	1.5 Deliver final data needs and detailed work plan to DHS for approval	To be completed within a month upon notice	
	1.6 Participate in conference calls and meetings with DHS as needed		
	1.7 Receive data and complete analysis	To be determined based on discussions with DHS	
	1.8 Prepare draft report for review by DHS		
	1.9 Modify reports to incorporate DHS comments		
	1.10 Deliver final reports, exhibits, testimony and other project deliverables identified to DHS		



Management Plan

F. Management Plan

1. Management Plan

The foundation of Myers and Stauffer's management plan is an experienced project team. We have estimated the resource commitment based on our experience performing similar projects and management will ensure that appropriate management and staff time has been allocated and that all contract objectives are met.

Our project team consists of staff from our offices in Kansas City and Topeka, Kansas. As successful and timely completion of project requirements is imperative, the project director will assign additional firm resources as necessary.

The operation of each Myers and Stauffer project is vested in a team approach with personnel assigned according to the complexity and scope of the project. Lines of authority are clearly delineated for each project. Myers and Stauffer's policy is to properly plan, perform, supervise, review, document and communicate all engagements in accordance with professional standards, regulatory authorities and project requirements. Management assigns personnel according to the expertise required to accomplish each task. Staff with knowledge of the issues, appropriate training and experience will be available throughout the contract. This enhances our ability to meet contract time frames and requirements and leads to sound project control.

Through our quality assurance system, we monitor firm activities. We have written standard operating procedures that are applied to all engagements. As part of these procedures, the quality assurance officer, Mr. Keenan Buoy, performs quality assurance checks that promote adherence to contract compliance criteria and other management policies. Myers and Stauffer has participated in and fully complies with the American Institute of Certified Public Accountants' program of Quality Control. As a routine standard operating procedure, the project director and project managers will regularly discuss all major aspects of the project with Mr. Buoy.

The operations of the project will be conducted in an objective and professional manner. There will be prompt response to telephone calls and correspondence from DHS. As needed, conference calls will be held with DHS and others in addition to the routine progress meetings. The project director will review each deliverable and measure its progress against the project time schedule. Control mechanisms, such as monthly status reports, will apprise the project director of progress with all key facets of the project and will ensure that goals are met.

2. Fiscal Accounting Processes and Budgetary Controls

A policy of the firm is "that all engagements be properly planned and executed in accordance with contractual requirements, professional standards, and policies and procedures established by the firm." Our goal is to deliver quality services that meet or exceed client expectation and earn the highest possible client satisfaction.

To accomplish this, we maintain detailed time records completed contemporaneously. Each project is assigned a unique project code. This can be further divided by the assigning of various



extension codes. Staff time could be tracked for each project assignment under this contract, if that were needed.

Each staff person maintains their individual time records on a daily basis identifying projects they worked on that day. Supervisory reviews are performed on these records weekly. Project managers receive monthly project reports, detailing hours worked by staff categories. These reports can also be generated ad hoc and can cover one month or the entire length of the contract.

Project managers draft the billings that are then sent to our financial manager for posting. Monthly summary report invoices will be prepared in accordance with the requirements set forth in Exhibit B of the RFP.

Project analyses and time records would be available for review upon request of DHS.

3. Organization Chart

As required by the RFP, we have included our proposed organization chart for this engagement in the Appendix of our proposal.

4. Financial Statements

Myers and Stauffer LC has the financial stability and capability to fund all contractor costs associated with this project throughout the term of the contract. As evidence of the firm's financial soundness, we have included a copy of our financial statements in the Appendix of our proposal. The financial statements were prepared internally and cover the two-year period from January 1, 2001 to December 31, 2002. Our financial resources are more than adequate to provide the requested services to the state of California Department of Health Services.



Project Personnel

G. Project Personnel

1. Proposed Staffing Plan

A. Staff Positions Required

For this engagement, Myers and Stauffer proposes the following positions, held by full-time employees with extensive experience providing accounting and consulting services to state Medicaid agencies.

Personnel Class	Number of Personnel Assigned to Project	Number of Full Time Equivalents Assigned to Project
Vice President	1	1
Quality Assurance	1	1
Litigation Project Manager	1	1
Litigation Research Specialist	3	1.5
Associate Litigation Analyst	4	2
Litigation Analyst	3	1

B. Key Staff Descriptions

The following descriptions include a summary of the qualifications, experience and skills of the key professional staff to be assigned to this project.

Vice President

Kevin Londeen, CPA, member, will serve as vice president herein after referred to as litigation project director and will have overall responsibility for all aspects of the project. He will coordinate the staff and resources necessary to complete the project on time and to your satisfaction. Mr. Londeen has more than 15 years of experience providing auditing, consulting and accounting services to state Medicaid agencies in 19 states. He served as project director for the firm's engagements with the states of Kansas, New Jersey, Montana and Louisiana in preparing analyses to support the Medicare upper payment limit and Medicare/Medicaid rate differential calculations. He had the overall responsibility for evaluating the impact of state and federal legislation on these calculations.

He has consulted with state agency clients during development of nursing facility, intermediate care facility for the mentally retarded, and hospital reimbursement systems, including



reimbursement processes for routine (administrative and health care) cost and capital cost. He has personally conducted more than 500 field audits and desk reviews of health care facilities under contract with state Medicaid agencies. He served as lead consultant to the Department of Justice examining fraudulent and abusive Medicare cost reporting practices for hospitals, skilled nursing facilities and home health agencies.

Litigation Project Manager

Kathryn Wade, CGFM, SPHR, principal, will serve as litigation project manager. She will coordinate all activities of this project and will maintain close and frequent communication with DHS. Ms. Wade has more than 18 years experience in health care reimbursement consulting. She served as project manager for the Kansas Nursing Facility Case Mix Demonstration Project that was part of the Multistate Nursing Home Case Mix and Quality Demonstration. Ms. Wade has been active in all phases of case mix development and maintenance, both on the state and federal levels, serving on work groups and task forces for the Minimum Data Set design, RUG-III classification, Quality Indicator development and testing, and the Medicare prospective payment demonstration. She was the project director for the recent Development of Acuity Based Reimbursement System study in Hawaii. Her experience includes projects in Colorado, Florida, Idaho, Kansas, Montana, Georgia, Alaska, New Hampshire, North Dakota, New Jersey and Washington where she participated in reimbursement system development or evaluation and data management, particularly MDS data. She has worked on upper payment limit IGT projects in Kansas, Georgia, New Jersey and Washington.

Quality Assurance

Keenan Buoy, CPA, member, will provide *quality assurance* for this engagement. He will work directly with the project director, Kevin Londeen, and provide high-level strategic input to assure successful completion of the project and the full satisfaction of DHS. He has 20 years of experience providing consulting, auditing and accounting services to state health care agencies. He is the member in charge of the firm's Indianapolis, Indiana, office and oversees operations of the Pennsylvania and Kentucky offices. Mr. Buoy's experience includes consulting on a variety of public health policy issues to numerous state agency clients.

Our quality assurance system monitors firm activities and reports to the highest levels of the firm. We have written standard operating procedures that are applied to all engagements. As a part of these procedures, Mr. Buoy will perform quality assurance checks that promote adherence to contract compliance criteria and other management policies. He will oversee quality control reviews and processes and will review deliverables and monitor contract performance milestones.

Litigation Research Specialists

Amy Perry, CPA, manager, will serve as litigation research specialist for nursing facility services. She is a manager with the firm and has more than 10 years of professional experience with Myers and Stauffer in the area of health care reimbursement. Currently she is assisting North Carolina implement a provider tax program for nursing facilities including preparing analyses to submit to CMS requesting waiver approval. She has assisted Kansas, New Jersey, Georgia, Colorado, Washington, Montana and Louisiana in preparing analyses to support the



Medicare upper payment limit and Medicare/Medicaid rate differential calculations. She has the responsibility for evaluating the impact of state and federal legislation on these calculations. She currently manages the firm's case mix, consulting and reimbursement system design engagements for the states of Louisiana, Kansas, North Carolina, Montana and Nevada. Her responsibilities include supervising project staff and planning and organizing day-to-day project operations. She has developed interactive models to replicate proposed case mix reimbursement systems allowing multiple options to be evaluated quickly and efficiently. Her experience includes managing case mix reimbursement system projects for the states of Colorado, Iowa, Hawaii, New Jersey and Georgia.

Kierstin Bittel, CPA, manager, will serve as *litigation research specialist for outpatient services*. She is a manager for the firm and serves as a primary witness at Medicaid administrative hearings on rate and audit appeal issues. She assists her clients with perfecting Medicaid policy, procedures and rules used to govern the Medicaid audit and reimbursement program.

Scott Simerly, Ph.D., manager, will serve as litigation research specialist for inpatient hospital services. Dr. Simerly has six years of direct experience leading reimbursement system design, analysis of DRG claim payments, policy review and analysis, development and implementation for multiple inpatient prospective reimbursement system engagements, and annual system updates in the states of North Carolina, Kansas, West Virginia, Colorado and New Mexico. His experience includes creation of database tools, analytical reports and statistical models, coordination of staff, development of fiscal impact studies, preparation of project deliverables and management of computer resources.

Associate Litigation Analysts

Kristy Burns, manager, will serve as associate litigation analyst. She served as the lead programmer on the Kansas validation system during the multistate demonstration. The system consisted of a variety of reports used by the fiscal claims processing unit. Each report could be accessed on-line by a direct dial-up connection and moved from summary information down to individual MDS items. She will work closely with the other principal project staff and with the state in order to facilitate transfer of data needed for modeling and preparation of system recommendations. She has assisted the states of Kansas, New Jersey, Georgia, Colorado, Montana and Louisiana in preparing analyses to support the Medicare upper payment limit and Medicare/Medicaid rate differential calculations.

Mike Evans, supervisor, will serve as associate litigation analyst. He has extensive experience with statistical and financial analysis, including the management of databases, creation of analytical reports and models, calculation of rates and other payment statistics.

Chris Powell, senior programmer analyst, will serve as associate litigation analyst for this project. Mr. Powell was the primary programmer for hospital rate setting applications developed by the firm for use in New Mexico, Kentucky and Indiana. His experience includes rewriting selected DRG software modules for a Windows environment and data reporting for a Colorado DRG project, including computation of base year case-mix index.



Robin Pugh, supervisor, will serve as associate litigation analyst. She performs desk reviews, field audits and computes settlements for skilled nursing facilities, hospitals, home health agencies and federally qualified health centers cost reports submitted by providers.

Litigation Analysts

Lesley Brown, CPA, senior accountant, will serve as *litigation analyst*. She is experienced in leading nursing facility case mix rate setting engagements and has supervised project staff and evaluated models for state agency engagements. She has assisted the states of Kansas and Georgia in preparing analyses to support the Medicare upper payment limit and Medicare/Medicaid rate differential calculations.

Brian Jay, financial analyst, will serves as *litigation analyst*. He performs analysis of state hospital reimbursement policies for Kansas, North Carolina and West Virginia. He is responsible for reviews of hospital cost reports to determine actual costs for establishment of DRG base rate. Mr. Jay's duties include cost analysis of charges, review of hospital claims data to revise yearly payment procedures, and compilation of the projected fiscal impact of recommended changes in payment policies.

Cheryl Richter, financial analyst, will serve as *litigation analyst* for this engagement and provide accounting support services throughout the project. Her efforts will include analytical review of cost reports and the preparation of rate setting tables and exhibits. She has experience conducting desk reviews and field audits of hospital cost reports.

Additional staff resources, including senior and staff-level accountants, financial analysts, programmers, paraprofessionals and others from Myers and Stauffer will be utilized as needed to achieve project objectives.

C. Key Staff Resumes

Resumes for each key staff member listed above are included in the Appendix section of our proposal.

2. Administrative Policies or Procedures for Recruitment

Myers and Stauffer is committed to hiring the most qualified people to fill open positions. We are committed to the principles of Equal Employment Opportunity for all employees and applicants and our recruitment procedures are free of discriminatory practices. Our recruitment policy is designed to anticipate workforce needs and ensure ready access to a variety of productive recruitment sources.

We employ both internal and external recruitment. Various media and methods are used that include: classified ads in newspapers or trade and professional journals, referrals, employment agencies, placement offices at various universities. Solicitations include job descriptions and the minimum education, experience, and skill levels required.

Important considerations in any hiring decision include the individuals previous experience, knowledge, skills, availability and work ethic. Prior to any employment offer, at least two employment references are checked to ensure that individuals who join the organization are well



qualified and have a strong potential to be productive and successful. All individuals who are final candidates for job opportunities with Myers and Stauffer are subject to background checks that verify Social Security Numbers, prior employment, education and criminal history.

Myers and Stauffer has Affirmative Action Plans in place to monitor both recruitment and advancement of individuals in protected groups (i.e., members of a certain race, color, ethnicity, national origin, religion, gender, age (over 40), disability, or veteran status).

3. Procedures for Filling Vacancies

The services and deliverables of this RFP are services core to our practice. Because of this, Myers and Stauffer has staff trained, available and ready to commit to the project. We do not anticipate having to hire or train additional personnel. We will have adequate support staff dedicated to the contract to ensure timely completion of contract requirements.

Key staff will not be removed or reassigned without the prior approval of the Department. If any vacancies of key staff should occur, we will fill the position within 30 days. Myers and Stauffer understands the Department will approve key personnel replacements.

Based on our experience with similar engagements for other states, we are confident we have sufficient personnel to perform the duties and complete the project to the satisfaction of the Department. In the event of unforeseen circumstances, additional staff resources, including senior and staff-level accountants, financial analysts and others from Myers and Stauffer will be utilized to achieve project objectives and assure successful completion of the project.

4. Subcontractors

Myers and Stauffer has achieved the 3% DVBE participation goal as required by the state of California. We are fully committed to utilizing the services of Trinity Government Systems, a DVBE certified by the Department of General Service's Office of Small Business Certification and Resources, for data analysis services and other various business services, as needed for this project.

Trinity Government Systems is a complete systems integration company with a statewide presence, committed to offering state and local agencies with information technology professionals, state government experts and management consulting services. They focus on providing comprehensive solutions for government entities.

The letters of agreement between our two firms and resumes of the subcontractor personnel are located in the Appendix of our proposal. The DVBE certificate and accompanying forms are located in the Forms section of our proposal.



Facilities and Resources

H. Facilities and Resources

1. Current Office Facilities

Myers and Stauffer LC has eight offices located throughout the country. These leased office facilities and the staff within each office are available at the firm's discretion to assist with this project as needed.

4123 SW Gage Center Drive, Suite 200 1.

Topeka, KS 66604

Office space: 9,663 square footage

Staff:

11440 Tomahawk Creek Parkway 2.

Leawood, KS 66211

Office space: 5,000 square footage

Staff:

12

8555 North River Road, Suite 360 3.

Indianapolis, IN 46240

Office space: 13,044 square footage

Staff:

61

4. 7350 East Progress Place, Suite 208

Englewood, CO 80111

Office space: 2,923 square footage

Staff:

12

5. 8555 W. Hackamore Drive, Suite 100

Boise, ID 83709

Office space: 7,000 square footage

Staff:

16

6. 6380 Flank Drive, Suite 100

Harrisburg, PA 17112

Office space: 5,300 square footage

Staff:

13



7. 60 Devils Hollow Connector, Suite 200

Frankfort, KY 40601

Office space: 2,891 square footage

Staff:

14

8. 5540 Centerview Drive, Suite 415

Raleigh, NC 27606

Office space: 3,349 square footage

Staff:

- 5

2. Current Support Services and Office Equipment Capabilities

Type of Support Services and Number of Staff

Myers and Stauffer LC has more than 160 persons available across the firm with considerable academic training and specialized experience in health care consulting and reimbursement. In addition to certified public accountants, our staff includes registered nurses, managed care consultants, financial analysts and computer information systems professionals.

Messenger, Delivery, Shipping, Distribution or Transport Capabilities

Our firm has an electronic mail system that facilitates communications internally and with our clients, providers and others. We will continue to maintain and update this system to ensure that communication remains effective and unimpeded. We utilize various commercial messenger, delivery, shipping, distribution and transport capabilities as needed to ensure timely delivery of information to our clients.

Teleconferencing or Telecommunications Capabilities

Throughout this project, we will maintain regular communications with Department and will utilize any teleconferencing or telecommunications capabilities necessary to ensure effective communication.

Printing/Reproduction or Photocopying Capabilities

Myers and Stauffer has the resources available to perform any printing and/or photocopying services as needed for this proposal.

Computer Hardware and System Capabilities

Myers and Stauffer's strategic investment in information technology and training enables us to work more intelligently and efficiently. We have developed a sophisticated computer network system that provides high functionality using state-of-the-art technologies. This provides us the flexibility to adopt new technologies as they become available.

Each of our offices has a Local Area Network (LAN) to support our internally developed application programs and purchased software products. Each of our offices is interconnected using multi-protocol routing and gateway techniques in a secure Wide Area Network (WAN) topology supporting IPX/SPX and TCP/IP. This provides efficient inter-office communication



promoting a cooperative effort throughout the firm. It has also allowed us to create on-line access to cost, statistical and other data reports for our clients as needed.

Software Applications

Due to our previous engagements, Myers and Stauffer has developed software components necessary to efficiently manage large databases. These system building blocks allow for storage/retrieval, viewing, analysis and basic reporting of this data, and will enable us to complete the necessary analyses within a short timeframe. Our approach is to integrate multiple software components into module applications. The primary software applications that we anticipate will used to accomplish the services requested are categorized as follows:

- Off-the-shelf software This category includes operating systems such as MS-DOS, Windows and Novell NetWare. Fourth generation development languages such as Microsoft FoxPro, Visual Basic and Oracle are used to manage databases and create customized software. Word processing and spreadsheet packages such as Microsoft Word, Microsoft Access, Statistica, and Excel are examples of application software that may be included in the system.
- Third-party libraries These libraries are written to aid programmers in their development efforts. These may range from simple procedures or functions that access network resources, to complete modules that provide a standard reporting function. These libraries are used whenever possible to speed the development processes. They are written by experts in specific areas, resulting in a higher quality product.
- Previously developed software We have developed generic software components that can be used in multiple systems.
- Custom developed software All systems have unique requirements that cannot be met by any of the previous categories. These differences are due to state regulation, agency preferences, contract provisions and integration with existing systems. Because of changes in the state and federal requirements, modifications are inevitable to meet new requirements. This type of flexibility requires programs to be created and modified through interaction with substantial input from the program stakeholders.

3. Additional Facilities, Support Services or Equipment Needed

Myers and Stauffer is fully capable of providing the services described in this RFP without the need for additional facilities, support services and/or equipment.



Appendix

I. Appendix

- 1. Proof of Corporate Status
- 2. Proof of Nonprofit Status N/A
- 3. Organization Chart
- 4. Financial Statements
- 5. Staff Resumes
- 6. Subcontractor/Consultant Resumes
- 7. Subcontractor/Consultant Letters of Agreement
- 8. Conflict of Interest Compliance Certificate



Proof of Corporate Status



SECRETARY OF STATE

CERTIFICATE OF REGISTRATION

I, BILL JONES, Secretary of State of the State of California, hereby certify:

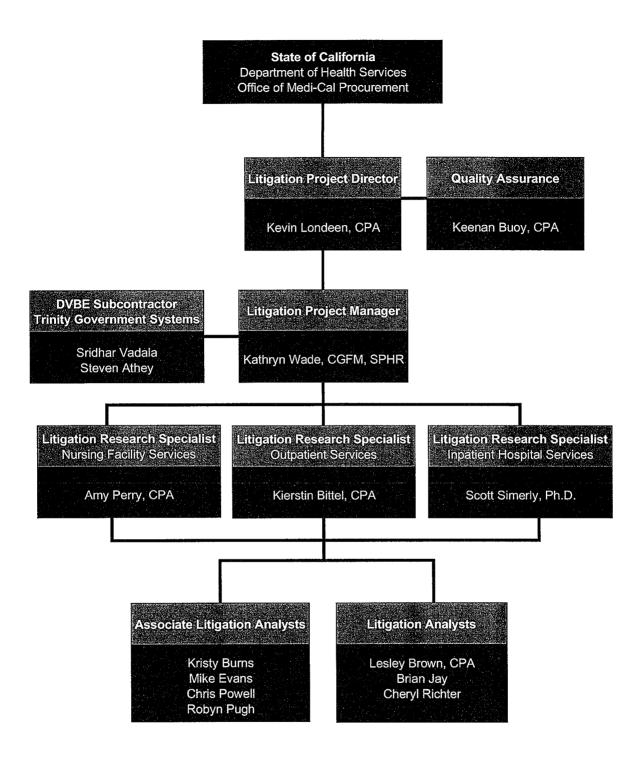
That on the 8th day of January, 2002, MYERS AND STAUFFER LLC, complied with the requirements of California law in effect on that date for the purpose of registering to transact intrastate business in the State of California; and further purports to be a limited liability company organized and existing under the laws of the State of KANSAS as MYERS AND STAUFFER LLC and that as of said date said limited liability company became and now is duly registered and authorized to transact intrastate business in the State of California, subject, however, to any licensing requirements otherwise imposed by the laws of this State.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this 2nd day of March, 2002.

BILL JONES
Secretary of State

Organization Chart





Financial Statements



Certified Public Accountants

To the Members of Myers and Stauffer LC

The accompanying balance sheets of Myers and Stauffer LC, a limited liability company, as of December 31, 2001 and 2002, and the related statements of income for the years then ended, have been compiled by us in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management (owners). We have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them. In addition, it is brought to the attention of the financial reader that the undersigned is not independent of Myers and Stauffer LC.

Management has elected to omit substantially all of the disclosures (and the statement of cash flows) required by generally accepted accounting principles. If the omitted disclosures and statements were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operation, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Myers and Stauffer LC

Certified Public Accountants

March 24, 2003

MYERS AND STAUFFER LC Balance Sheet December 31

	2001	2002
Assets		
Current Assets		
Cash	\$ 22,089	\$ 127,083
Receivable from Clients	4,186,974	3,292,435
Prepaid Expenses	43,668	20,085
Total Current Assets	\$ 4,252,731	\$ 3,439,603
Property and Equipment, at cost Accumulated Depreciation	\$ 502,428 <502,428>	\$ 502,428 <502,428>
Book Value	\$ 0	\$ 0
Total Assets	<u>\$ 4,252,731</u>	<u>\$ 3,439,603</u>

See Accountant's Report

CONFIDENTIAL

MYERS AND STAUFFER LC Balance Sheet December 31

	2001	2002
Liabilities and Members' Equity		
Current Liabilities Current portion of long-term debt Accounts payable – trade Accrued payroll	\$ 0 658,281 	\$ 0 457,591
Total Current Liabilities	\$ 679,218	\$ 474,610
Long-Term Debt Notes Payable – Related Party Other Long-Term Items Total Long-Term Debt	\$ 3,221,031 0 \$ 3,221,031	\$ 2,786,356 <u>0</u> \$ 2,786,356
Total Members' Equity Beginning Members' Equity Net Income Less Members' Draw (Net) Ending Members' Equity	\$ 241,571 110,911 \$ 0 \$ 352,482	\$ 352,482 172,643 \$ <346,488> \$ 178,637
Total Liabilities and Members' Equity	<u>\$ 4,252,731</u>	<u>\$ 3,439,603</u>

See Accountant's Report

CONFIDENTIAL

MYERS AND STAUFFER LC Statements of Income For Year Ended December 31

	2001	2002
Revenue from Services	\$ 15,757,881	\$ 17,595,850
Cost of Revenue Operating Expenses Interest – Related Party Depreciation	\$ 15,646,970 0 0	\$ 17,423,207 0 0
Total Cost of Revenue	\$ 15,646,970	\$ 17,423,207
Net Income	\$ 110,911	<u>\$ 172,643</u>

See Accountant's Report

CONFIDENTIAL

Staff Resumes

Kevin C. Londeen, CPA

Project Title

Litigation Project Director

Certification

Certified Public Accountant

Experience Relevant to this Project

Mr. Londeen, a member (owner/partner) and executive consultant with Myers and Stauffer, is responsible for providing consulting and public accounting services to the Medicare program as well as state Medicaid agencies regarding health care reimbursement issues. Most recently, he serves as project director and lead consultant to the Department of Justice (DOJ) examining fraudulent and abusive Medicare cost reporting practices of hospitals, skilled nursing facilities and home health agencies. We worked closely with DOJ attorneys assisting them with their investigation/litigation of abusive cost reporting and/or Medicare billing practices.

Mr. Londeen has provided testimony regarding provider rate and settlement disputes in forums including settlement conferences, administrative hearings and other judicial settings. The participants included providers, judges, hearing officers and program administrators. He presented an alternative reimbursement system (the Medicare Carve-Out System) to the Idaho Senate Subcommittee on Health Care. This system was designed to accurately measure the cost of Medicaid nursing facility services. Implementation of the system resulted in 5% annual savings for the state's nursing facility program.

He has consulted with state agency clients during development of nursing facility, intermediate care facility/mental retardation and hospital reimbursement systems, including reimbursement processes for routine (administrative and health care) cost and capital cost. These reimbursement systems utilized cost-based and non-cost-based reimbursement approaches and incorporated acuity measures. He has presented testimony regarding reimbursement studies to legislative committees.

Other Professional Experience

Mr. Londeen assisted four state Medicaid agencies in developing their annual findings and assurances (justifications). He developed studies and analyses and presented testimony that resulted in resolution of provider rate and settlement disputes.

He has significant cost report auditing and reimbursement experience including more than 13 years as audit and desk review project manager examining Medicare and/or Medicaid cost reports for state Medicaid agencies. Mr. Londeen has planned and supervised performance of Medicaid cost report audits and report issuances to ensure compliance with generally accepted or governmental auditing standards and Medicare/Medicaid program requirements. He has provided services to 19 Medicaid agencies on health care reimbursement issues, and planned and



conducted audits of hospitals, nursing facilities, intermediate care facilities for the mentally retarded, federally qualified health centers, home health agencies and residential health centers.

Mr. Londeen has served as the lead consultant to Medicaid agencies in the states of Kansas, Idaho, Montana, North Carolina, Louisiana and Colorado, assisting in their development of case mix reimbursement systems. He has developed reimbursement strategies to address the treatment of nursing, social service, activity and ancillary services within the case mix system, as well as strategies to address general service (administrative, dietary, housekeeping and laundry) and capital cost reimbursement issues.

Mr. Londeen has more than 16 years of experience providing accounting, auditing and consulting services with more than 13 of those years working with Medicare and Medicaid cost reporting forms, conducting settlements and establishing reimbursement rates for state Medicaid agencies.

Mr. Londeen's experience includes applying Medicare and Medicaid cost report audit guidelines and definitions of allowable costs while ensuring compliance with AICPA professional standards. He supervised development of databases and reimbursement calculations designed to address Medicare step-down, as well as specific Medicaid issues and assisted states in developing reimbursement methodology to meet state objectives. He interacted with providers regarding reimbursement issues and educated them on audit and settlement process.

In 1992, Mr. Londeen established the firm's Idaho office and hired and trained approximately 20 staff including CPAs, CPA candidates, computer professionals and accounting technicians. He supervised the transition of Idaho Medicaid audit, rate setting and settlement functions from state employees to Myers and Stauffer staff.

His duties have included auditing Medicare/Medicaid cost reports, performing settlements and setting reimbursement rates for hospitals (DRG and TEFRA), nursing facilities, intermediate care facilities for the mentally retarded, federally qualified health centers and home health agencies.

Education

B.S., Business Administration, Kansas State University, 1984 Concentrations in Accounting and Finance

Affiliations

American Institute of Certified Public Accountants Kansas Society of Certified Public Accountants

Presentations

"Legal, Financial and Political Implications of Medicaid Budget and Rate Shortfalls," American Health Lawyers Association Annual Meeting, San Antonio, Texas, 2003.



"Unanticipated Acuity Changes: The Impact on Government Assistance Budgets," Case Mix 2001 Conference, New Frontiers in Health Information, Niagara Falls, Canada, October 2001.

"Medicare versus Medicaid Case Mix – How are States Coordinating their Medicaid Case Mix System with the Medicare PPS?" National Case Mix Conference, May 2000, Madison, Wisconsin.

"Reimbursement Methodology - Identifying Medicaid Costs," Kevin Londeen, Case Mix and Reimbursement Forum, October 1998, Kansas City, Missouri.



Keenan S. Buoy, CPA

Project Title

Quality Assurance

Certification

Certified Public Accountant

Experience Relevant to this Project

Mr. Buoy, a member and executive consultant of the firm, is in charge of the firm's Indianapolis, Indiana office, and oversees the operations of the Frankfort, Kentucky, and Harrisburg, Pennsylvania, offices. He is experienced in managing large, complex projects and coordinating the efforts of numerous staff. A certified public accountant, Mr. Buoy's 20-year career has focused exclusively on health care reimbursement. His responsibilities include review of state plans for reasonableness, revising state regulations and criteria, assisting in developing litigation strategy and expert testimony to state agency clients, developing cost reporting forms and instructions, reviewing cost information accumulated by state agencies for reasonableness and developing rationale for resolution of Medicaid reimbursement policy issues.

Mr. Buoy provides expert testimony and consultation in the defense of various suits brought forth by health care providers in various state and federal courts and administrative forums. His assistance includes technical support of state agency officials and their counsel concerning Medicaid reimbursement plans, including relevant state and federal rules and methodologies.

He participates with state Medicaid agency clients in various provider reimbursement task force initiatives providing consultation on alternative reimbursement methodologies, fiscal analyses of current and proposed formulas and responding to technical issues brought forth. Task and policy force participants have included providers, state Medicaid agency officials, budget agency officials and other stakeholder groups.

Mr. Buoy routinely responds to provider inquiries and rate reconsideration requests concerning reporting requirements and data submission, rate setting procedures, calculations and methodologies and other relevant rate setting issues; contacting long term care facility providers in regard to relevant cost increases/decreases over prior periods; and making appropriate desk review adjustments to the rate case as required.

He responds to departmental inquiries concerning reimbursement issues and provides agency officials with opinions regarding relevant rate setting issues concerning proposed changes to reimbursement formulas and methodologies. He routinely provides assistance in drafting and implementing Medicaid regulatory changes.

He has extensive experience in the review of Medicaid cost reports and has provided desk or supervisory reviews and attendant rate determinations for many long term care providers.



Education

B.B.A., Accounting, Washburn University, Topeka, Kansas

Affiliations

American Institute of Certified Public Accountants Indiana CPA Society American Public Human Services Association

Kathryn W. Wade, CGFW, SPHR

Project Title

Litigation Project Manager

Certification

Certified Government Financial Manager Senior Professional Human Resources

Experience Relevant to this Project

Ms. Wade is in charge of the firm's office in Topeka, Kansas. Her responsibilities include personnel administration, management, and quality oversight for several large complex projects. Ms. Wade has 18 years of experience providing consulting and public accounting services to state Medicaid agencies on health care matters. She serves as the firms HIPAA Privacy officer.

Her experience includes development and review of state plans for reasonableness, revising state regulations and criteria, developing justifications, developing cost reporting forms and instructions, reviewing cost and assessment information accumulated by state agencies and responding to departmental inquiries concerning third party reimbursement issues.

Ms. Wade has done accounting and statistical analyses during discovery proceedings in several class action lawsuits brought by health care providers against a state agency. She reviewed provider claims, conducted claim day analyses and rate recalculations and evaluated alternative reimbursement methodologies for reasonableness.

She is currently listed as both fact and expert witness in several rate and CMI appeals filed by nursing facility providers.

Her career has focused on providing health care reimbursement consulting with an emphasis on case mix reimbursement, to state Medicaid agencies. She has recently worked the Centers for Medicare and Medicaid Services to update and develop RAI manuals and training material and to manage a national help desk for swing-bed providers.

Her case mix experience includes serving as project director for the following engagements:

- Kansas Nursing Facility Case Mix Demonstration Project. She had administrative responsibility for researching, planning, developing, implementing, monitoring and evaluating the case mix project. She served on all work groups of the Kansas Nursing Facility Case Mix Demonstration Project: Advisory, Classification, Quality Assurance and Reimbursement.
- Nursing Facility Case Mix reimbursement projects in Florida, Virginia, Montana and Colorado. Her responsibilities include development of reimbursement methodologies and state plan materials; directing the development of collection systems for Minimum



Data Set (MDS) data; supervision of help desks for MDS data submission; making presentations to state agency personnel and industry representatives; and, supervision of staff.

- She has served as project team member, manager, director or quality assurance officer on rate setting (nursing facility and ICF/MR), payment system development and evaluation, data analyses, or data verification contracts in Kansas, Virginia, Florida, Montana, Colorado, New Jersey, North Dakota, Arizona, New Hampshire, Hawaii, Washington, Alaska and Georgia.
- In 2001, she served as project director on a rate evaluation project for the state of Kansas. The Kansas Department of Social and Rehabilitation Services are required to obtain an independent review of the rate structure for their Community Developmental Disability Services every two years. Her specific responsibilities on this engagement included performing supervisory review of all work completed and meeting with departmental representatives as necessary. She served as liaison with data processing staff responsible for changes made to existing computer programs. She performed and supervised analysis of computerized data.

Education

B.B.A., Accounting, Washburn University, Topeka, Kansas, 1966, 1981-1983, Graduated Cum Laude

Affiliations

Certified Government Financial Managers Association

Presentations

Myers and Stauffer Medicaid Auditing and Reimbursement Workshop, Indianapolis, Indiana, HIPAA Privacy and Security Training, Served as presenter and workshop organizer. October 8-9, 2003.

Georgia Nursing Home Association Medicaid Case Mix Training, a one-day workshop to familiarize participating nursing facility staff with the new reimbursement methodology. Presented in four locations through the state of Georgia. Served as presenter and consultant. July 2003.

National Case Mix Conference 2003 sponsored by the American Association of Nurse Assessment Coordinators Wyndham Baltimore Hotel, Inner Harbor, Baltimore MD, March 20-21, 2003 "Rate Incentives and Add-ons in Medicaid Case Mix Reimbursement Systems"

Case Mix Review Forum, Exploring the Accuracy of MDS Data for Reimbursement and Quality Assurance Systems in the States, Kansas City Marriott Country Club Plaza Two-day workshop dealing with the accuracy of and reliance on the minimum data set. Served as a presenter and organizer. December 1999.



Amy Perry, CPA

Project Title

Litigation Research Specialist-Nursing Facility Services

Certification

Certified Public Accountant

Experience Relevant to this Project

Ms. Perry, a manager with more than 10 years of experience with the firm, provides consulting and public accounting services to state Medicaid agencies regarding health care reimbursement issues. She serves as a manager with the firm whose primary focus is on design and development of nursing facility rate setting systems for state Medicaid agencies and preparing analyses to support the Medicare upper payment limit and justification of rates to comply with federal requirements. She also has the responsibility for keeping abreast of current statutes, rules and regulations that govern the industry and researching and evaluating the impact of state and federal legislation on nursing facility reimbursement issues.

Ms. Perry's experience with nursing facility and ICF/MR rate setting includes researching and developing alternative reimbursement methodologies with emphasis on case mix reimbursement. Her experience includes all phases of design, development, implementation, and maintenance. She has prepared pro forma reimbursement models and financial and statistical analyses that allow states to define multiple reimbursement variables that can be changed interactively. This type of modeling provides states the ability to evaluate multiple options quickly and efficiently. She also assists states with their regulatory process formulating state plan/rule language, reviewing regulations, and drafting responses to questions from CMS and other interested parties and preparing analyses.

During the Boren era, she prepared studies and analyses to support the Medicare upper payment limit and findings and assurances. She also prepared cost reimbursement rate analyses and regression analyses for litigation purposes and presentation to policy makers and stakeholders.

Her auditing, desk review, consulting and rate setting experience for state agencies includes the following states: Alaska, Colorado, Florida, Georgia, Hawaii, Iowa, Kansas, Kentucky, Louisiana, Missouri, Montana, New Jersey, Nevada, North Carolina, and Washington.

Other Professional Experience

Ms. Perry manages the firm's case mix, consulting and reimbursement system design engagements for the states of Louisiana, Kansas, North Carolina, Montana and Nevada. Her responsibilities include supervising project staff and planning and organizing day-to-day project operations. She has been active in all phases of case mix development and maintenance for projects in Colorado, Georgia, Hawaii, Iowa and New Jersey. She also prepared exhibits used in the presentation of the case mix system to the Iowa, Kansas, Colorado and Montana legislatures.



Currently, she is assisting North Carolina implement a provider tax program for nursing facilities including preparing analyses to submit to CMS requesting waiver approval.

She has assisted Kansas, New Jersey, Georgia, Colorado, Washington, Montana and Louisiana in preparing analyses to support the Medicare upper payment limit and Medicare/Medicaid rate differential calculations. She has the responsibility for evaluating the impact of state and federal legislation on these calculations.

Ms. Perry has experience in researching and developing alternative reimbursement methodologies for paying nursing facilities for their capital and property-related expenses. She completed a nursing facility reimbursement study for the state of Washington and assisted the states of Nevada and Louisiana in the development and implementation of a Fair Rental Value system.

Ms. Perry served as project manager for an engagement with the state of Kansas to review the adequacy of current reimbursement rates and provide rate adjustment recommendations based on cost data collected from the Community Service Providers (CSP) and Community Developmental Disability Organizations (CDDO) along with relevant economic and market data.

Ms. Perry has performed desk review and rate setting engagements in accordance with Medicaid reimbursement regulations as well as applying Medicare reimbursement regulations that are contained in the Medicare Provider Reimbursement Manual (HIM-15). These engagements necessitate an indepth understanding of the application of rules specific to the cost reporting and rate setting activities that were performed.

She researched and prepared a logical analysis on the findings and assurances required to assist the Kansas Department of Social and Rehabilitation Services in the development of a findings process. Analysis included development of a structured process, presented by both verbiage and flowcharts, to comply with federal requirements.

She served as senior analyst for the preparation of long term care and hospital findings for the Missouri Department of Social Services and the Alaska Department of Health and Social Services. She also assisted in the preparation of the 1992 and 1993 studies and analyses that support the Wyoming Health Care Financing findings.

She participated in the design and implementation phases of the Kansas Living Independence for Everyone (LIFE) HCBS waiver for the frail elderly and the physically disabled.

Education

B.S. Accounting, Northeast Missouri State University, Kirksville, Missouri, 1990

Affiliations

American Institute of Certified Public Accountants Kansas Society of Certified Public Accountants



Kierstin A. Bittel, CPA

Project Title

Litigation Research Specialist - Outpatient Services

Certification

Certified Public Accountant

Experience Relevant to this Project

Ms. Bittel, a manager with Myers and Stauffer, provides accounting and consulting services to state Medicaid agencies regarding health care reimbursement issues. Her responsibilities include desk reviews, field audits and review of work performed by staff on hospital Medicaid cost reports. Her auditing, desk review and consulting experience for state agencies includes the following:

- New Mexico Department of Human Services
- Kentucky Cabinet for Health Services
- New Hampshire Department of Health and Human Services
- Colorado Department of Health Care Policy and Financing
- North Carolina Department of Health and Human Services

Other Professional Experience

Ms. Bittel's prior experience includes serving as a senior accountant with a certified public accounting firm where she planned, performed and supervised financial statement audits of hospitals, nursing homes and rural health clinics in accordance with Generally Accepted Accounting Principles. In addition, she prepared the facility's Medicare and Medicaid cost reports. Ms. Bittel also served as a staff accountant with Mutual of Omaha and Blue Cross Blue Shield of Kansas. She performed and directed Medicare compliance audits of hospitals, skilled nursing facilities and other health care agencies as a fiscal intermediary for the Health Care Financing Administration. She served as an accounting intern for the Kansas Department of Transportation Division of Financial Reporting and Securities. Her responsibilities included management of the cost fund as well as the investment portfolio for the Kansas Department of Transportation. She utilized industry benchmarks and other financial and statistical information to ensure maximum utilization of funds.

Education

B.B.A., Accounting, Washburn University, Topeka, Kansas

Affiliations

AICPA

Kansas Society of Certified Public Accountants



Scott W. Simerly, Ph.D.

Project Title

Litigation Research Specialist - Inpatient Hospital Services

Experience Relevant to this Proposal

Dr. Simerly joined Myers and Stauffer in 1996 and serves as a manager for the firm's inpatient and outpatient hospital reimbursement and physician reimbursement engagements with government health care agencies.

Dr. Simerly leads the firm's DRG recalibration and rebasing projects for the states of Kansas, New Mexico, North Carolina, and West Virginia. He is assisting the state of Louisiana with the design and implementation of a DRG reimbursement system to replace their current per diem system. His responsibilities include the determination of hospital rates and case mix index factors, calculation of DRG relative weights and outlier thresholds, fiscal impact studies, management of databases, preparation of and other statistical analyses. He was involved in similar projects for the states of Colorado and Oregon.

Other Professional Experience

Dr. Simerly has provided analysis for a per diem inpatient hospital reimbursement system for the state of Louisiana. He is also involved in the evaluation of an outpatient prospective payment system for this state. His responsibilities include determining peer groups and payment rates.

Dr. Simerly assisted in the evaluation of the reimbursement of high cost drugs under the Health Care Financing Administration's proposed ambulatory patient classifications (APC) outpatient prospective payment system.

He has developed specifications and procedures for a statewide health information database on subcontract with the Kansas Department of Insurance (through Miller and Newberg, Consulting Actuaries). He consulted with the state on database capabilities and design of appropriate queries.

In West Virginia, besides the annual updating of the DRG system he is responsible for an annual review of the RBRVS system and the determination of the annual rate update.

He has also constructed modifiable reimbursement models comparing Kansas and Alaska physician reimbursement to surrounding states, Medicare and private insurance rates.

In addition, he has performed statistical analysis of pharmacy survey information for engagements with the states of Kansas and Kentucky.

Education

M.B.A., West Virginia University, Morgantown, West Virginia, 1996 Ph.D., Chemistry, University of Illinois, Urbana, Illinois, 1991 B.S., Chemistry, Iowa State University, Ames, Iowa, 1986



Publications

"Comparative Reactivity Studies of [Re₇C(CO)₂₁Rh(CO)₂]^{2-/1}. Evidence of Enhanced Inter- and Intramolecular Lability for a Metal Cluster Radical." American Chemical Society Meeting, August 1990.

"Synthesis, Characterization and Crystal Structure of [PPN][Re₇C(CO)₂₁P(OPh)₃]. Stereodynamic Comparison with Isoelectronic Heptarhenium Carbido Clusters." *Inorganic Chemistry*, 1992, *31*, 5416.

"Synthesis and Characterization of Tetratolylhydroporphyrins and their N-Methylated Derivatives." Manuscript in preparation (Fall 1996).



Kristy Burns

Project Title

Associate Litigation Analyst

Certification

Microsoft Certified Professional

Experience Relevant to this Project

Ms. Burns is a senior programmer/analyst and systems consultant for Myers and Stauffer with 12 years of experience on projects related to state Medicaid agency rate setting and consulting and MDS state systems. Her experience includes:

- Kansas MDS 2.0 Case Mix project March 1991 to present. Lead programmer. Consults, develops and maintains the source code for the case mix system. This includes statistical reports, RUG-III and M3PI classification code and reports and the Quality Indicators coding and reports. Works with the HCFA MDS 2.0 DMS system. This includes generating reports and updating resident and assessment information.
- Colorado MDS 2.0 Case Mix project July 1998 to present. Lead programmer.
 Consults, develops and maintains the source code for the case mix system. This includes statistical reports, RUG-III and M3PI classification code and reports. Works with the HCFA MDS 2.0 DMS system. This includes generating reports and updating resident and assessment information.
- Montana MDS 2.0 Case Mix project July 1998 to present. Lead programmer. Consults, develops and maintains the source code for the case mix system. This includes statistical reports, RUG-III and M3PI classification code and reports. Works with the HCFA MDS 2.0 DMS system. This includes generating reports and updating resident and assessment information.
- Idaho MDS 2.0 Case Mix project May 1998 to present. Responsible for developing analytical reports and includes statistical reports and RUG-III and M3PI classification code reports.
- HCFA MDS 2.0 system in the state of Florida January 1998 to July 1998. Consulted on the implementation and developed analytical reports for the preliminary Florida Case Mix project. This included statistical reports and RUG-III and M3PI classification code reports.
- South Dakota Quality Indicator system January 1998 to present. Lead programmer.
 Designed, implemented and maintains the source code for all the application menus, input screens, calculations and reports needed for the Quality Indicator system.



Other Professional Experience

Ms. Burns has also consulted on the design and development of the case mix reimbursement system for Pennsylvania. She reviewed the general and detail system design documents and set up the input screens for the Pennsylvania Bureau of Long Term Care Programs case mix simulation.

She is currently programming in Visual FoxPro, DataFlex and Oracle SQL Plus 3.3.

Education

B.S., Computer Information Systems, Emporia State University, Emporia, Kansas

Other Training

Dataflex Training 3COM Classes - 3+ Network Installation and Administration Network Architects, Standards and Protocols



Michael L. Evans

Project Title

Associate Litigation Analyst

Experience Relevant to this Project

Mr. Evans, a supervisor with Myers and Stauffer, engagements include lead auditor on many of the firm's engagements for state agency clients. Mr. Evans assisted the firm on special projects for the U.S. Department of Justice and CMS. In addition, he has assisted two fiscal intermediaries performing cost report audit and verification duties. His experience encompasses hospitals, skilled nursing facilities, home health agencies and rural and federally qualified health clinics.

Mr. Evans, a supervisor with Myers and Stauffer, has more than 27 years of audit and reimbursement experience. Currently, Mr. Evans is serving as lead person assisting the state of Kansas in updating and streamlining their DSH procedures and computations. Additionally, he serves as the project supervisor with the state of New Mexico. His primary responsibilities include all hospital and home health agency reimbursement duties, including direct supervision and training of staff. Prior to his promotion to supervisor, Mr. Evans served as project specialist for the state of New Mexico with primary responsibility for all home health reimbursement issues and secondary responsibility for all hospital reimbursement issues. Mr. Evans is directly responsible for New Mexico disproportionate share hospital (DSH), Graduate Medical Education (GME) and Indirect Medical Education (IME) reimbursement issues. He was the lead auditor on a nursing home chain audit and three Local Education Association (LEA) Medicaid audits conducted for the state of North Carolina.

Mr. Evans' experience includes extensive experience with DRG payment systems including rate setting, payment modeling and payment verifications, both as a Medicare auditor and as a hospital reimbursement specialist. Mr. Evans was also lead auditor on a number of Medicare base year audits that established the initial Medicare PPS operating and capital-related cost DRG payment rates.

Other Professional Experience

Mr. Evans' previous experience includes more than 10 years serving as the third party reimbursement specialist for all Medicare, Medicaid and CHAMPUS reimbursement functions at two large hospitals. His duties included payment verifications, cost report preparation and filing, interim rate computations and monitoring, intern and resident tracking and reporting, and computation of monthly contractual allowances. He maintained knowledge of reimbursement regulations and compliance issues and provided interpretations and financial impact computations of new and proposed regulations. Mr. Evans has more than 12 years of Medicare audit and reimbursement experience with two different Medicare fiscal intermediaries. He was responsible for Medicare audits, desk reviews and rate setting functions for all types of Medicare providers including skilled nursing facilities, hospitals and home health agencies. His duties also involved provider relations and training.

Education

B.S., Accounting, Illinois Wesleyan University, Bloomington, Illinois, 1975



J. Chris Powell

Project Title

Associate Litigation Analyst

Experience Relevant to this Project

Mr. Powell serves as the primary programmer for hospital rate setting applications developed by Myers and Stauffer. Rate setting applications have been developed for the states of Kansas, New Mexico, North Carolina, West Virginia, Alaska, Iowa, Kentucky and Indiana. His experience includes developing DRG software modules for a Windows environment Mr. Powell also creates programming utility software for DRG engagements, including editing and grouping routines and procedures for relative weight computation.

Other Professional Experience

Mr. Powell has also been a key developer for long term care rate setting modules. His work includes development of cost report entry, tracking, auditing, and reporting systems for New Mexico, Colorado, Kentucky, Indiana and Iowa. He also developed the LTC rate setting module for the state of Kentucky including computation of base year case-mix index.

He has also processed the Health Care Utilization Project (HCUP) Nationwide Input Sample (NIS) database from 1994 thru 1999.

Mr. Powell's previous experience includes serving as assistant manager for a six-doctor pediatric practice as well as a minor emergency clinic. He provided accounting, payroll and tax work for 12 medical practices as well as programming, installation, training and support for the following: Medical Billing Program, Payroll Program, Time Sheet Program, Time Card Program and Contact Manager.

His programming skills include Microsoft Visual FoxPro 6.0 and Visual Basic. His network skills include the complete installation of both hardware and software for several peer-to-peer networks such as Novell Lite and Personal Novell as Windows 98. He offers support and administration of Personal NetWare, Windows, MAGIX and UNIX Networks

Education

B.B.A. Accounting, Washburn University, Topeka, KS

Publications

"Incrementing Numbers and Dates," FoxPro Advisor, September 1999. The article describes a User Interface that will increment or decrement date, numeric or currency valued fields.

"SQL Tip," FoxPro Advisor, August 1998. Imbedding inline IF statements in SQL statements.

Affiliations

Midwest FoxPro Users Group



Robyn Pugh

Project Title

Associate Litigation Analyst

Experience Relevant to this Project

Ms. Pugh serves as project supervisor and performs desk reviews, field audits and computes settlements for skilled nursing facilities, hospitals, home health agencies and federally qualified health centers cost reports submitted by providers for Myers and Stauffer engagements with the following state agencies:

- New Mexico Human Services Department
- Kentucky Department for Medicaid Services
- Louisiana Bureau of Health Services Financing
- North Carolina Department of Health and Human Services
- Colorado Department of Health Care Policy and Financing

She participated in the design of the status log database for the New Mexico Human Services Department project, which established a tracking system for cost reports through various phases of the project.

Her auditing and desk review responsibilities include the analysis of exceptional cost profiles for variances, verification and computation of TEFRA target rates, verification of charge and utilization data and the computation of settlement amounts. She applies GAAS to audit planning, audit program provisions and audit evidence and applies GAAP to financial reporting of providers. In addition, she conducts field-testing of financial records including expenses, cash, leases, payroll, and property and equipment. She conducts exit conferences, communicates with providers concerning audit questions and adjustments and reviews work performed by support staff.

Ms. Pugh participated in the establishment and implementation of Prospective Payment System (PPS) rates for FQHCs and RHCs in New Mexico and Arizona.

Other Professional Experience

Ms. Pugh's additional experience includes conducting quarterly analytical reviews of financial data, observing inventory procedures and interviewing client personnel with a state lottery system.

Education

B.B.A., Accounting, Washburn University, Topeka, Kansas



Lesley T. Brown, CPA

Project Title

Litigation Analyst

Certification

Certified Public Accountant

Experience Relevant to this Project

Ms. Brown serves as senior accountant and focuses on the firm's engagement with the Kansas Nursing Facility Rate Setting and database management project. Her responsibilities include setting the per diem rate of payment for the nursing facilities, processing cost reports, providing various reports (such as cost profiles, limitation tables and budget projections) in order to establish new per diem rates, calendar year end and monthly processing of cost reports.

In addition, Ms. Brown assists in reimbursement system development for Kansas. She has also assisted with the case mix time study for the state of Colorado.

She has performed Medicare cost report audits of home health agencies for a fiscal intermediary and has conducted focus audits for Blue Cross of California. Her auditing and desk review responsibilities include:

- Analytical review of cost reports.
- Prefield planning.
- Field-testing of financial records including payroll, resident funds, property and equipment, cash, leases and expenses.
- Application of Medicaid laws and regulations to provider cost reports and accounting information.
- Application of GAAP to financial reporting of providers and GAAS to audit planning, audit program provisions and audit evidence.
- Communication with providers regarding audit questions and adjustments.
- Communication of audit findings.
- Documentation of issues and rationale for position.
- Exit conference issues.



Other Professional Experience

Ms. Brown previously served as an auditor for the Kansas State Department of Education. She performed compliance audits to verify program claims for state and federal reimbursement, communicated with education and state personnel regarding findings and audit polices, supervised and trained new staff in audit procedures, functioned as a lead auditor and provided technical assistance to audited agencies.

Education

B.B.A., Accounting, Washburn University, Topeka, Kansas



Brian A. Jay

Project Title

Litigation Analyst

Experience Relevant to this Proposal

Mr. Jay serves as a financial analyst for Myers and Stauffer. He performs analysis of state hospital reimbursement policies for Kansas, Louisiana, North Carolina and West Virginia. He is responsible for reviews of hospital cost reports to determine actual costs for establishment of DRG base rate. Mr. Jay's duties include cost analysis of charges, review of hospital claims data to revise yearly payment procedures, and compilation of projected impact of recommended changes in payment policies.

Other Professional Experience

Mr. Jay performed data analysis of iterative computing algorithms to determine necessary conditions to insure calculation of solution. He also analyzed algorithms with regard to optimizing speed and computing resources required.

He served as assistant editor of a national bi-monthly educational technology magazine. His duties included researching and editing articles and reviews for publication and creation and management of database of previous articles and product reviews.

Education

M.S., Mathematics, University of Connecticut, Storr, Connecticut, 2001 B.S., Mathematics, Temple University, Philadelphia, Pennsylvania, 1998 Graduate with Distinction in Mathematics



Cheryl Richter, CIA

Project Title

Litigation Analyst

Certification

Institute of Internal Auditors Certified Internal Auditor

Experience Relevant to this Proposal

Ms. Richter serves as a staff accountant for Myers and Stauffer. She is responsible for conducting field audits following agreed upon procedure reviews of hospital cost reports to determine actual cost for establishment of the DRG base rate. Her duties include cost analysis of charges, review of state allocation methods and records and analytical procedures to determine risk areas utilizing comparative data. She has performed pharmacy desk reviews and field examinations of cost surveys for the states of Texas and Kentucky. Ms. Richter has performed desk reviews of Freestanding Rural Health Clinic Settlements for the state of North Carolina.

Ms. Richter is currently working on the New Mexico Medicaid long term care engagement. She is responsible for conducting desk reviews following agreed upon procedures to assist in evaluating Long-Term Care Facility Financial and Statistical Reports (Cost Reports) for nursing facilities and intermediate care facilities for the mentally retarded (ICF/MR). Her duties include defining materiality levels, identifying risk areas and relevant findings to be incorporated into the development of the Desk Review plan.

Other Professional Experience

Ms. Richter's previous experience includes serving as an auditor for Sears, Roebuck and Company. She assisted with the audit planning including control and risk assessments. She created and conducted audit testing and ensured that all audit program objectives were met.

She also served as a compliance auditor for UDL Laboratories Pharmaceutical Repackager (subsidiary of Mylan Laboratories). She was responsible for audit compliance with Code of Federal Regulations. She prepared ARCOS reports for submission to the DEA and coordinated and conducted training on cGMP regulations.

She worked for the Audit Bureau of Circulations as a technical reviewer and reviewed auditor work papers for completeness and accuracy. She provided performance feedback to audit staff management for follow-up and assisted clients with preparation of circulation Publisher's Statements. She also compiled trade journal publication circulation data for industry news releases.

Education

M.S., International Business, Roosevelt University, Schaumburg, Illinois, 2000 B.S., Accounting and Business Administration, Judson College, Elgin, Illinois, 1994, Graduated with High Distinction



Subcontractor/Consultant Resumes

Steven Douglas Athey

Project Title

Database Consultant

Summary

Consultant experience includes the following expertise:

- Visual Basic 6+ years (SRA ,ITT TECH, Spherion, California ISO, ACS-Solano County, Hewlett Packard, Eclipse Solutions /Elan Communications, RHI Consulting)
- Cold fusion: 4+ years Have upgraded and Installed previous Cold Fusion Servers, and Desktop Studios (3.5 to 4.5, 4.5 to 5.0) Have utilized Cold Fusion development on multiple Web Development Projects.
- Web security practices –10+ years- (SRA, ITT TECH, Spherion, California ISO, ACS-Solano County, Hewlett Packard, Eclipse Solutions & Elan Communications, RHI Consulting, Lawson, Mardon, LoneWolf Design)
- Active Server Pages (ASP) –8+ years (SRA, ITT TECH, Spherion, California ISO, ACS-Solano County, Hewlett Packard, Eclipse Solutions & Elan Communications, RHI Consulting, Lawson Mardon, LoneWolf Design)
- Java Script 10+ years (SRA, ITT TECH, Spherion, California ISO, ACS-Solano County, Hewlett Packard, Eclipse Solutions & Elan Communications, RHI Consulting, Lawson Mardon, LoneWolf Design, The Los Angeles Federal Credit Union, The OfficePlace)
- Transact SQL 8+ years (SRA, ITT TECH, Spherion, California ISO, ACS-Solano County, Hewlett Packard, Eclipse Solutions & Elan Communications, RHI Consulting Lawson Mardon, LoneWolf Design)
- SDLC 6+ years (SRA, ITT TECH, Spherion, California ISO, ACS-Solano County, Hewlett Packard, Eclipse Solutions & Elan Communications, RHI Consulting, Lawson Mardon, LoneWolf Design)

Experience

Present, Trinity Government Systems, Sacramento, CA

Application Programmer/DBA – Available as Oracle database consultant for contract work.

05/03-10/03, Client Army National Guard, Rancho Cordova, CA

Application Programmer - VB/C#.Net and SharePoint Portal Server administration CMS Server along with Windows 2003 Administration, Programming Web Parts for SharePoint Team Services, RCAS software support, which is part of a DoD project work flow management system

for the Army National Guard. Obtaining ADP LEVEL II clearance and currently responsible for software loads on to the Servers in the environment, and performed site-unique setup and configuration of both the hardware and software.

Environment: Oracle Database Server, WEB/Application Server, Data Exchange Server, SharePoint Portal Server

12/02 – Present ITT TECH

IT/SAP Instructor-Duties involved teaching Java 1, Visual Basic 1, Visual Basic 2, and SQL2000 Database courses. Other duties involved the development of class lab assignments, homework and presentation materials for students. Additional duties included the responsibility of grading of the assignments and the development of quiz and test materials.

8/02 - 10/18/02 Spherion - Client Hewlett Packard, Roseville, CA

Application Developer- Duties involved the programming of an eLearner application, XML files, FrontPage, JavaScript programming languages, Tested and QA the eLearner software. Used Windows Security for the protection of files and folders. Environment: Windows 2000, NT, Office2000, XML/XSLT, COM, Oracle, Access, CSS, HTML, FrontPage, IIS 5.0, MS Safe Source

3/18/02 to 8/02 California ISO, Folsom, CA

Programmer- Working with Helm client California ISO in Folsom, CA. Duties involved the programming of web sites, FrontPage, ASP, DHTML and JavaScript programming languages, and the programming of Access VBA applications. Responsible for developing MS access tables, reports and VBA applications for various issue tracking monitoring programs. Supervised and mentored the skills of other programmer. Consulted and advised management level staff on web based applications, languages and recommendations on implementations. Developed all web graphics as needed for various applications.

Environment: Homesite, Windows 2000, NT, Office2000, ASP, VB, VBA, ADO, D/COM, SQL, Access, CSS, HTML, FrontPage, DHTML, Active X, JavaScript, PhotoShop, IIS, MS Safe Source

10/01 to 2/08/02 ACS-Solano County, Fairfield, CA

Sr Web Developer- Working with EDP client Solano County ISD in Fairfield, CA. Duties involved the programming of the Solano County Departments web sites, using Cold Fusion, FrontPage, DHTML and JavaScript programming languages. Supervised and mentored the skills of other programmer. Advised and installed the Share Point Server and installed the Cold Fusion Server, verity, and cold fusion studio, developed application using Cold Fusion Studio. Responsible for developing MS Access, tables, reports and VBA applications for various departments with-in the county. Developed web graphics and animations for various applications. Consulted and advised management level staff on web based applications, languages and recommendations on implementations.

Environment: Windows 2000, NT, Office2000/XP, ASP, VB, VBA, ADO, D/COM, SQL, Access, Active X, CSS, HTML, Cold Fusion, Homesite, Share Point Server, FrontPage, DHTML, JavaScript, PhotoShop, Verity, Fireworks, Photoshop, Illustrator, Freehand, Corel Draw

12/99 to 8/01 **Hewlett Packard**, Roseville, CA

Web Developer- Working with Volt Technologies client Hewlett Packard in Roseville, CA. Duties involved the programming of the Solutions Engineering Departments web sites, using Cold Fusion, FrontPage, Java and JavaScript programming languages. Additional duties established global security internet/intranet groups. Developed an Issue Tracking System (DFX2000) for department managers using Cold Fusion and SQL. Responsible for developing MS access tables, reports and VBA applications for various web applications. Supervised and mentored the skills of other programmers. Trained HP Employees on the new @HP templates, tested and debugged along with developing new intranet and internet web sites that were based on the new corporate HP standards. Consulted and advised management level staff on web based applications, languages and recommendations on implementations.

Environment: Windows 2000, NT, Office2000, ASP, VB, ADO, D/COM, SQL, Access, CSS, HTML, Cold Fusion, Homesite, FrontPage, Java, JavaScript, Illustrator, Corel Draw, PhotoShop, Flash, SQL Server

Education

B.A., Art with concentration in Computer Graphic Design, San Jose State University, May 1990.

Sridhar Vadala

Project Title

Database Analyst

Summary

- Currently serves as Oracle database analyst with Trinity Government Systems.
- Over eight years of professional experience in Database administration with Oracle, Oracle Applications 11/11i (Financials, CRM, Manufacturing and Distribution), user interaction, design and implementation of applications in Client/Server and Internet/Intranet Architecture.
- Expert in Installations and Upgrades of Oracle Apps, Oracle Database server and clients.
- Designing and implementing of Backup and Recovery strategies for Oracle databases.
 (Logical Export & Import, Physical Online and Offline).
- Troubleshooting of Performance and Tuning problems in Oracle database and Oracle Applications.
- Experienced in Sun Solaris, HP-UX, AIX, SCO-Unix, Windows 2000/NT/98/95.
- Have thorough knowledge of the Oracle Optimal Flexible Architecture (OFA).
- Expert in areas of Oracle 9i/8.x/7.x, PL/SQL Programming, SQL, SQL*Plus, SQL*Loader.
- Expert in C, Pro*C, Perl, CGI, HTML, Shell Scripting.
- Proficient in Designer/2000, Developer/2000, Forms (3.0/4.5/6i), Reports (2.5/3.0/6i).
- Created and modified Database objects like Tables, Indexes, Views, Sequences, Functions, Procedures, Triggers, Stored Procedures and Packages.
- Expert level experience as Business Analyst & Data Modeling.
- Experienced in Database Designing using ERWIN, Designer/2000 and MS VISIO.
- Experienced in Oracle SQL*Net & Net 8 installation and configuration.
- Experienced in Financial, Manufacturing, and Medical industries.

Technical Skills

Operating Systems: SUN Solaris 2.6/8, HP-UX 10.x/11, AIX, Windows NT/2000, Novell Netware 3/4, SCO UNIX Open Server 5 and DOS.

Databases and Tools: Oracle 9i/8.x/7.x, Oracle Applications 10.7/11/11i, MS Access, Oracle 9iAS, Oracle Enterprise Manager, DB Artisan 5.02, RMAN, Legato Storage Manager, Oracle Export/Import, Log Miner, Oracle Data, Migration Assistant, Developer/2000 (Forms 6i/4.5/3.0, Reports 6i/3.0/2.5), SQL Navigator, SQL*Loader.

Languages: C, Pro*C, SQL, SQL*PLUS, PL/SQL, Shell Programming, Perl, HTML, CGI, C++, COBOL, Java.

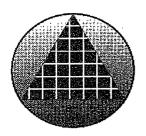
Design Tools:

Designer/2000/6i, ERwin, MS Visio

Education

M.S. (Software Engineering), DeSales University, Allentown, PA. B.S., Computer Science & Engineering

Subcontractor/Consultant Letters of Agreement



Trinity Government Systems

A Private Company, Inc.

October 30, 2003

Mr. Kevin Londeen Myers and Stauffer LC 11440 Tomahawk Creek Parkway Leawood, KS 66211

Dear Mr. Londeen:

This letter is confirmation of our agreement that Trinity Government Systems will participate with Myers and Stauffer in its proposal to the state of California for the Medi-Cal Reimbursement Rate Support Services.

Trinity Government Systems, a California certified DVBE, will provide data base support and other project related services as agreed upon between Myers and Stauffer LC and our organization. Resumes for Steven Athey and Sridhar Vadala are enclosed and can be included in your proposal to the state of California. We agree to the hourly rates as discussed for Mr. Athey and for Mr. Vadala.

We look forward to working with Myers and Stauffer on this important project. Enclosed are the original signed offer letter and a copy of the DVBE certificate.

Sincerely, Dawl Suntifler

Darrell Brantingham

Trinity Government Systems

Conflict of Interest Compliance Certificate

Conflict of Interest Compliance Certificate

- **A.** DHS intends to avoid conflicts of interest or the appearance of conflicts of interest on the part of the Contractor, subcontractors, or employees, officers or directors of the Contractor or subcontractors. Thus, DHS reserves the right to determine, at DHS' sole discretion, whether any information received from any source indicates the existence of a conflict of interest.
- **B.** Any of the following instances would be considered a potential "conflict of interest", including, but not limited to any instance in the past, present or future:
 - 1. Where the Contractor or any subcontractor contracts with any Medi-Cal Health Plan, provider, or billing agent for Medi-Cal services.
 - 2. Where the Contractor has an Interest in a Medi-Cal Health Plan, provider, or billing agent for Medi-Ca Iservices.
 - 3. Where the Medi-Cal Health Plan, provider, or billing agent for Medi-Cal services has an Interest in the Contractor.
 - 4. Where a Contractor's officer, director or employee, or a spouse or dependent child, is employed by a Medi-Cal Health Plan, provider, or billing agent for Medi-Cal services or has an Interest in a Medi-Cal Health Plan, provider, or billing agent for Medi-Cal services.
 - 5. Where pursuant to the Political Reform Act (Government Code Section 87100-87500), a DHS official has an economic interest in the Contractor and the official makes, participates in the making of, or uses his or her official position to influence the making of a decision involving Contractor, where it is reasonably foreseeable that the decision could materially affect the officials economic interest.
 - 6. Where pursuant to Government Code Section 1090 et seq., a DHS official participates in the making of a contract with Contractor and the official is financially interested in the contract.
- C. If DHS is aware or becomes aware of a known or suspected conflict of interest, the Contractor will be given an opportunity to submit additional information to resolve the conflict. A proposer or Contractor with a suspected conflict of interest will have five (5) working days from the date of notification of the conflict by DHS to provide complete information regarding the suspected conflict. If a conflict of interest is determined to exist by DHS and the conflict cannot be resolved or mitigated to the satisfaction of DHS, before or after the award of the contract, the conflict will be grounds for rejection of the proposal or termination for default of the contract.
- D. The term "interest" for purposes of conflict of interest shall include any ownership of a partnership, S Corporation, or Limited Liability Corporation. An "Interest" shall also be evidenced by any loan; corporate, personal, secured or unsecured. The term "Contractor" for purposes of conflict of interest includes the Proposer/Contractor and Subcontractors, including the employees, officers and directors of these entities. The term "Subcontractor" for purposes of conflict of interest is limited to those individuals or entities who contract with the Contractor/proposer to perform any part of the Scope of Work in RFP Section H.
- E. Any form of ownership or interest held through the ownership of a publicly trade mutual fund shall not be deemed a conflict of interest solely on the basis mutual fund ownership. Ownership of publicly traded stock by Contractor, in a corporation which owns or controls a Medi-Cal Health Plan, provider, or billing agent for Medi-Cal services should be reported if the stock ownership is at least five percent of the outstanding stock in the corporation.

- **F.** The proposer shall include in the Technical Proposal/Required Attachments this Certificate containing the original signature of an official or employee of the proposer who is authorized to bind the proposer.
- **G.** This Certificate will be incorporated into the contract, if any, awarded from this RFP. It is understood that this requirement shall be in effect for the entire term of the contract, including extensions, if any. The Contractor shall obtain a completed Certificate from any proposed subcontractor and submit it to DHS prior to approval of the subcontractor by DHS.
- H. The Contractor and each subcontractor shall notify DHS, Medi-Cal Policy Division, at 1501 Capitol Avenue, Suite 71.4001, MS 4600, P. O. Box 942732, Sacramento, CA 94234-7320 within ten (10) business days of any change to the information provided on this Certificate.
- I. DHS believes that it is imperative that the organization awarded this contract not have any contractual or financial relationships to Medi-Cal providers, their representatives, agents, or associations; or to any Medi-Cal Health Plans. If relationships do exist, the Contractor must identify all services to all Medi-Cal providers, hospitals, clinical laboratories, and pharmaceutical and device manufacturers; their representatives, agents, or associations; and to all Medi-Cal Health Plans, since January 1, 2001, related to any lawsuit brought against the California Department of Health Services.
- J. If the proposer has a suspected or potential conflict of interest, the proposer shall provide a description of the relationship, a plan for ensuring that such a relationship will not adversely affect DHS, and procedures to guard against the existence of an actual conflict of interest.
- K. If the proposer has received or expects to receive any compensation, since calendar year 2001, from any Medi-Cal provider, hospital, clinical laboratory, or pharmaceutical or device manufacturer; their representatives, agents or assocations; or to any Medi-Cal Health Plan for services unrelated to lawsuits against DHS, the proposer must submit a Conflict Avoidance Plan. This Conflict Avoidance Plan must contain an assurance that all ties with the entity(ies) will be severed prior to the effective date of this contract. The Conflict Avoidance Plan must be acceptable to DHS that all conflict of interest issues have been resolved.

The undersigned hereby affirms that: (Check One)

X	The statements above have been read and that no conflict of interest exists that would jeopardize the ability of the firm to perform.
	A suspected or potential conflict of interest does exist, and additional information (as described in I, J, and K above) is attached along with a Conflict Avoidance Plan to address the possible conflict of interest.
	Signed: Title: Member Date: 10/27/03
	Type or Print Name of Authorized Representative:
	Kevin C. Londeen

Forms

J. Forms

- 1. Required Attachment/Certification Checklist
- 2. Proposer Information Sheet
- 3. Proposer References
- 4. CCC 103 Certification
- 5. Payee Data Record
- 6. Actual DVBE Participation and Applicable DVBE Certifications
- 7. Target Area Contract Preference Act Request N/A
- 8. Enterprise Zone Act Preference Request N/A



Required Attachment/Certification Checklist - RFP Attachment 2

Required Attachment / Certification Checklist

alterations	. additi	uirements: I understand that DHS may construe any modifications, conditions, ons, deletions, or changes to the language contained in Attachment 2 to the n-responsive. I certify that my firm meets the following requirements:	Confirmed by DHS					
☑ Yes ☐ N/A	types l	n possesses at least three consecutive years of experience of the various service isted in Item 1 of the RFP section entitled, "Qualification Requirements." That ence occurred within the past five years.	☐ Yes ☐ No					
☑ Yes ☐ N/A	My firr addres	n has read and is willing to comply with the terms, conditions and contract exhibits seed in the RFP section entitled, "Contract Terms and Conditions".	☐ Yes ☐ No					
X Yes ☐ N/A	(Corporations) My firm is in good standing and qualified to conduct business in California. [Check "N/A" if not a Corporation.] Please explain if the required document cannot be attached.							
☐ Yes ☑ N/A		rofit Organizations) My firm is qualified to claim nonprofit status. k "N/A" if not a nonprofit organization.]	☐ Yes ☐ No					
∑ Yes ☐ N/A	My firm has a past record of sound business integrity and a history of being responsive to past contractual obligations. My firm authorizes the State to confirm this claim.							
Yes My firm is financially stable and solvent and has adequate cash reserves to meet all financial obligations while awaiting reimbursement from the State.								
Yes	My firm has complied with the DVBE actual participation and/or good faith effort requirements as instructed in the DVBE Instructions / Forms (Attachment 8).							
☑ Yes ☐ N/A								
Technical	Propos	sal format and content.	Confirmed by DHS					
X Yes 🗌	N/A	My firm complied with the Technical Proposal format requirements and my firm submitted one original Technical Proposal and five (5) copies and a CD-R copy of the proposal. My proposal is assembled in the following order:	Yes No					
X Yes ☐ N/A		Proposal Cover Page (Attachment 1)						
		Table of Contents						
∑ Yes □ N/A		Executive Summary section (3 pages or less)						
☑ Yes ☐ N/A		Agency Capability section	☐ Yes ☐ No					
	N/A	Work Plan section	Yes No					
🗓 Yes 🗌	N/A	Management Plan section	Yes No					
☑ Yes ☐	N/A	Project Personnel section	Yes No					
X Yes ☐ N/A		Facilities and Resources section						

(Continued on next page)

Required Attachment / Certification Checklist

Cost section w	ith the following documentation:	Confirmed by DHS
☑ Yes ☐ N/A	Attachment 12, Cost Proposal form. Form is signed. Corrections, if any, have been initialed. All cost figures have been double-checked for accuracy.	☐ Yes ☐ No
Appendix sect	ion with the following documentation:	Confirmed by DHS
☑ Yes ☐ N/A	(Corporations) Attach a copy of your firm's most current Certificate of Status issued by the Secretary of State's Office. Explain if the required document cannot be attached. [Check "N/A" if not a corporation.]	Yes No
☐ Yes 🔀 N/A	(Nonprofit Organizations) An IRS determination letter proving my firm's eligibility to claim nonprofit and/or tax exempt status.	. Yes No
	[Check "N/A" if you are not claiming nonprofit status.]	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
☑ Yes ☐ N/A	An organization chart.	☐ Yes ☐ No
Yes ☐ N/A	Copies of financial statements for the past two years or most recent 24-month period (i.e., quarterly/annual income statements and annual balance sheets).	□ Yes □ No
Yes N/A		Yes No
▼ Yes □ N/A	Resumes for each pre-identified subcontractor or independent consultant, if any, which will serve a major role in performing the services. [Check "N/A" if you will not use subcontractors or consultants or if you have not pre-identified any such entities.]	Yes No
₩ Yes □ N/A	Letters of Agreement, signed by each pre-identified subcontractor and independent consultant or applicable explanation. [Check "N/A" if you will not use subcontractors or consultants or if you have not pre-identified any such entities.]	☐ Yes ☐ No
☑ Yes ☐ N/A	Proof that no prohibited conflicts of interest exist via Attachment 14 with applicable documentation.	☐ Yes ☐ No

(Continued on next page)

Required Attachment / Certification Checklist

Form section with the following attachments / forms:						
Yes □ N/A	Attachment 2, Required Attachment / Certification Checklist		☐ Yes ☐ No			
∑ Yes ☐ N/A	Attachment 3, Proposer Information Sheet		☐ Yes ☐ No			
Yes ☐ N/A	Attachment 4, Proposer References		☐ Yes ☐ No			
▼ Yes □ N/A	Attachment 5, CCC 103 - Certification		☐ Yes ☐ No			
	Attachment 6, Payee Data Record [Check "N/A" if you have had a prior contract with DHS.]					
☑ Yes ☐ N/A	Actual DVBE Participation (Attachment 7a) and DVBE certifications for each subcontractor or supplier listed. Complete this form according to the instructions in Attachment 7 if you attained partial or a full 3% DVBE participation. [Indicate "N/A" if you achieved zero participation and chose to complete the good faith effort form.					
☐ Yes 🔀 N/A	Good Faith Effort (Attachment 7b) and applicable GFE documentation. Complete this form if you did not attain a full 3% DVBE participation. [Check "N/A" if you achieved a full 3% DVBE participation and submitted Attachment 8a.					
☐ Yes 🔀 N/A						
☐ Yes ☒ N/A						
Name of Firm: Myers and	Stauffer LC					
Printed Name/T	itle:					
Kevin C. Lo	ondeen, Member	· · · · · · · · · · · · · · · · · · ·				
Signature C	Freein C. hulery	Date: 10/27/03				

Proposer Information Sheet – RFP Attachment 3

Proposer Information Sheet

Our inclusive cost proposal is attached. A signature affixed hereon and dated certifies compliance with all bid requirements. Our signature authorizes the State to verify the claims made on this certification.

	Name of Firm:				CA C	orp. No.	(If appli	icable)	Federal ID Number
	Myers and Stau	iffer LC				•	, ,,	•	48-1164042
-	Name of Principal (If n		Title:			Teleph	none N	umber	Fax Number
	Kevin Londeen		Member			800-3	374-68	358	913-234-1104
1144	Street Address / P.O. O Tomahawk Creek			City Leawo	ood			State KS	Zip Code 66211
Ξ	Type of Business O	rganization / Ow	vnership (Chec	k all that ap	ply)	1	•		
	Ownership Sole Proprietor Partnership Joint venture Association	Corporation Nonprofit For Profit Private Public	Government City/Cou Agency,		a State		☐ P S S C	ublic o school o state Co californ	of Entity r Municipal Corporation, or Water District, California ollege, University of ia, Joint Powers Agency r College Foundation
•	California Certified			I/A □ M	licrobus	siness Expiration		: :	ousiness
-	If certified, attach a co	ppy of certification	n letter. If ar	n application	is pend	ling, dat	e subm		
()	Small Business Type (If applicable) ☐ N/A ☑ Services ☐ Non-Manufacturer ☐ Manufacturer ☐ Contractor (Construction Type): ☐ Contractor's License Type:								
•	Veteran Status of B Disabled Veteran			ation No			Ex	oiration	Date:
•	If certified, attach a co	opy of certification	n letter. If a	n application	is pend	ling, dat	te subm	itted to	DGS:
•	Disadvantaged Bus Certification number			√A □ A	pprove	-	e Cal Tration Da		ffice of Civil Rights.
	Race/Ethnicity of B		<u></u> N/A	☐ B		His	spanic her	□ No	on-Minority or Caucasian
	Sex of Business Ov	vner	☐ N/A (Not inde	ependently own	ed)	Ma KX	ıle	F∈	emale
	Indicate applicable Contractor's State Lie	licenses and/or censing Board N	o. PUC Licer	possessed: nse Number		Requi		enses/	Certifications (If applicable)
	Signature	vii le i	helien	•					Date Signed 10/27/03
	Printed/Typed Name	}			-	Title			
	Kevin C. Lond	deen					Membe	r	·

Public Records Information

The above information is required for statistical and/or bidding purposes. Completion of this form is mandatory. This information will be made public upon award of the contract and will be supplied to DHS' Contract Management Unit, Department of General Services and possibly other public agencies. To access your contract related records, contact the Contract Management Unit, 1800 3rd Street (Room 455), P.O. Box 942732, Sacramento, CA 94234-7432, telephone number (916) 322-6122.

Proposer References – RFP Attachment 4

Proposer References

List 3 clients served in the past 5-years for whi	ch you provided sim	lar services. List th	e most rec	ent first.
REFERENCE 1				
Name of Firm				
Indiana Office of Medicaid Poli	cy and Plannin	<u> </u>		
Street address	City		State	Zip Code
402 W. Washington St., W382	Indianapoli	Ş	IN	46204
Contact Person	_	Telephone number	er	•
Pat Nolting		(317) 232-4318	3	· · · · · · · · · · · · · · · · · · ·
Dates of service 1995 to Present		Value or cost of s \$6,292,000		

Brief description of service provided

We provide rate setting, accounting, auditing, data management, research and consulting services to support the Indiana Health Coverage program (Indiana Medicaid).

REFERENCE 2				
Name of Firm				
Kansas Department on Aging				
Street address	City	Sta	ite	Zip Code
503 S. Kansas Avenue	Topeka	K	S	66603
Contact Person Janis DeBoer		Telephone number (785) 368-6684		
Dates of service	Value or cost of service			
July 1981 to Present		\$2,313,152		

Brief description of service provided

We provide rate setting services to health care providers and state plan consultation for nursing facilities, nursing facilities for mental health and intermediate care facilities for the mentally retarded.

Name of Firm Idaho Department of Health a	and Welfare		
Street address	City	State	Zip Code
3380 Americana Terrace	Boise	ID	83706
Contact Person		Telephone number	
Kathleen Allyn		(208) 334-5747	
Dates of service	Value or cost of service \$3,400,000		
1992 to Present		\$3,400,000	

Brief description of service provided

We perform audits and rate calculations for hospitals, nursing facilities and other health care providers in Idaho. Our work involves audit and reimbursement issues, as well as performing approximately 120 annual audits of Medicaid cost reports of health care provider

If three references cannot be provided, explain why:

CCC 103 Certification – RFP Attachment 5

CCC 103 - CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

Contractor/Bidder Firm Name (Printed)	Federal ID Number				
Myers and Stauffer LC	48-1164042				
By (Authorized Signature)					
Milely le aully					
Printed Name and Title of Person Signing					
Kevin C. Londeen, Member					
Date Executed	Executed in the County of				
10/27/03	Johnson				

CONTRACTOR CERTIFICATION CLAUSES

- 1. <u>STATEMENT OF COMPLIANCE</u>: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (GC 12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)
- 2. <u>DRUG-FREE WORKPLACE REQUIREMENTS</u>: Contractor will comply with the requirements of the Drug-Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
 - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
 - b. Establish a Drug-Free Awareness Program to inform employees about:
 - 1) the dangers of drug abuse in the workplace;
 - 2) the person's or organization's policy of maintaining a drug-free workplace;
 - 3) any available counseling, rehabilitation and employee assistance programs; and,
 - 4) penalties that may be imposed upon employees for drug abuse violations.
 - c. Every employee who works on the proposed Agreement will:
 - 1) receive a copy of the company's drug-free workplace policy statement; and,
 - 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: (1) the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

- 3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court which orders Contractor to comply with an order of the National Labor Relations Board. (PCC 10296) (Not applicable to public entities.)
- 4. <u>UNION ORGANIZING</u> Contractor hereby certifies that no request for reimbursement, or payment under this agreement, will seek reimbursement for costs incurred to assist, promote or deter union organizing.
- 5. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003. Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lesser of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State. Failure to make a good faith effort may be taken into account when determining the award of future contracts with the State for legal services.

Payee Data Record – RFP Attachment 6

PAYEE DATA RECORD

(Required in lieu of IRS W-9 when doing business with the State of California)

STD 204 (Rev. 2-2000)

Note: Governmental Entities, federal, state, and local (including school districts) are not required to submit this form.

SECTION '	1 mus	st be completed by the requesting state agency before forw	arding to the payee			
1	DH	ARTMENT/OFFICE - HS - Office of Medi-Cal Procurement	e of Medi-Cal Procurement be used by state agencies to prepare Information			
PLEASE RETURN		EET ADDRESS		and for withholding on		
TO:		0 North Tenth Street, Room 24C	this fully completed form	vendors. Prompt return of will prevent delays when		
		acramento, CA 95814	processing payments.	wiii provont dolayo imo.		
	TELE	EPHONE NUMBER	(See Privacy Sta	tement on Page 2)		
	-	16) 323-7406				
2		s and Stauffer LC				
		O Tomahawk Creek Parkway DDRESS (Number and Street or P.O. Box Number)		· ·		
		good, Kansas 66211				
(CIT	Y, SIA	ATE, and ZIP CODE)				
		CHECK ONE BOX ONLY				
3		CHECK ONE BOX ONLY				
PAYEE		LEGAL CORPORATION	PARTNERSHIP	NOTE: State and		
ENTITY INFORMAT		MEDICAL CORPORATION	ESTATE OR TRUST	local governmental entities, including		
		EXEMPT CORPORATION (Non-profit)		school districts are not required to		
		ALL OTHER CORPORATIONS FEDERAL EMPLOYER'S IDENTIFICATION NUMBER (FEIN)		submit this form.		
		14181-11 11 61 41 d1 d2		NOTE: Payment will not be		
		INDIVIDUAL SOLE PROPRIETOR SOCIAL SECURITY NUMBER OWNER'S FU	LL NAME	processed without an accompanying		
				taxpayer l.D. number.		
4		CHECK APPROPRIATE BOX(ES)		NOTE:		
PAYEE	-	California Resident - Qualified to do business in CA business in CA.	or a permanent place of	a. An estate is a resident if decedent was a		
RESIDEN STATUS		Nonresident (See Page 2). Payments for services be to state withholding.	at time of death.			
		WAIVER OF STATE WITHHOLDING FROM FRANC	HISE TAX BOARD ATTACHED	b. A trust is a resident if at least		
		SERVICES PERFORMED OUTSIDE OF CALIFORN	IA	one trustee is a California resident.		
				(See Page 2)		
5		I hereby certify under penalty of perjury that the information provided on this document is true and correct. If my residency status should change, I will promptly inform you.				
CERTIFYIN		AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print)	TITLE			
SIGNATUR	RΕ	Kevin C. Londeen	Member			
		SIGNATURE , John M.	DATE 10/27/03	TELEPHONE NUMBER 800-374-6858		

Actual DVBE Participation and Applicable DVBE Certifications - RFP Attachment 7a

ACTUAL DVBE PARTICIPATION

NAME OF DVBE FIRM PROPOSED FOR USE (Prime is to enter its own name, if the Prime is a certified DVBE)	FIRM THAT DVBE WILL CONTRACT WITH (Prime is to enter "Self", if the Prime is a certified DVBE)	NATURE OF WORK OR GOODS TO BE PROVIDED BY DVBE	DVBE % Claimed	TIER (See legend below)
Trinity Government Services	Myers and Stauffer LC	Data analysis and other various business services, as needed	3	1

DVBE % Claimed: Enter the percentage level of actual DVBE participation met, regardless of whether or not a full three percent (3%) of the total contract bid amount was achieved. **Do not enter percentages as a decimal or fraction**, instead round numbers to the nearest whole number. **Do Not Enter any Dollar Figures in the "DVBE** % Claimed" column. The budget sheets, if required, that are submitted in your proposal should reflect the DVBE service providers identified above, unless you are uncertain of the budget period in which the DVBE will be used.

TIER =

0 = Prime Contractor 1 = Subcontractor/Supplier to the Prime

2 = Subcontractor/Supplier to Level 1

3 = Subcontractor/Supplier to Level 2, etc.

Attach to this form, a copy of the current DVBE certification issued by DGS for each DVBE listed in the first column. If a new or renewed certification request was recently approved by DGS, but the confirming certification has not yet been received, place a footnote next to the DVBE's name and indicate on this form "Cert Pending" or "Cert To Follow".

Unless specifically indicated in the bid document, DHS will not accept state or federal business utilization plans in lieu of meeting DVBE participation and/or GFE requirements.

If necessary or desired, this form may be photocopied or reproduced in a like form for use in your bid response. If you choose to render a like copy by computer or other means, the instructions appearing on pages 1–6 may be omitted.

Please do not return or include in the bid response, a copy of the DVBE instructions preceding this form.

Bidding/Proposing Firm's Name	Signature
Myers and Stauffer LC	Melling Kulley
Printed Name/Title	Date
Kevin C. Londeen, Member	10/27/03



State of California * Department of General Services * Gray Davis, Governor

PROCUREMENT DIVISION

Office of Small Business and DVBE Certification

707 Third Street, 1st Floor, Room 400 • PO Box 989052
West Sacramento, California 95798-9052 • (800) 559-5529

DVBE SAPP 20030701

July 1, 2003

Supersedes APPROVAL Letter Dated 06/05/2003

REF# 0020609 TRINITY GOVERNMENT SYSTEMS A PRIVATE COMPANY INC 3045 65TH AVE #11 SACRAMENTO CA 95826

Dear Business Person:

Congratulations on your certified disabled veteran business enterprise (DVBE) status with the State of California. Your certification entitles you to benefits under the state's DVBE Participation Program within state contracting, including the three percent DVBE participation goal for overall state contract dollars.

Certification period

Self-Maintained Online Profile

A secure access feature on our website enables you to maintain certain profile information, including customizable keywords to best describe your business specialties with. An enclosed insert provides logon information and instructions to access your online profile. However, firms who have renewed their certification prior to its certification expiration date will keep the same password and will not receive the online profile insert. If you don't have internet access, please use the enclosed "Certification Information Change" form to update your profile and keywords.

Reporting Business Changes

You must notify the Office of Small Business and DVBE Certification (OSDC) of all business changes or your certification status will be subject to revocation. The enclosed "Certification Information Change" form identifies specific items that may be reported using the change form and it identifies other changes that require a new certification application submittal.

Proof of Eligibility

Maintain this original certification letter for future business needs. To demonstrate your firm's DVBE elig: include a copy of this letter in your state contract bid submittals.

Prior to contract award, agencies will assure the vendor is in compliance with Public Contract Code, Secet seq. addressing conflict of interest for state officers, state employees or former state employees.

Certification Renewal

A renewal application will be mailed to you prior to the expiration of your DVBE certification. If you do not receive an

Office of Small Business and DVBE Certification

REF# 0020609 TRINITY GOVERNMENT SYSTEMS A PRIVATE COMPANY INC

July 1, 2003 DVBE SAPP 20030701

2

application, please call us so that you may timely renew your certification.

If you have any questions, please contact me at 800.559.5529 or 916.375.4940, by e-mail andrew.gaston@dgs.ca.gov, or by fax 916.375.4950. The Procurement Division oversees many programs state contracting participation. For more information regarding these programs, visit our website at www.dgs.ca.gov/osbcr, or visit the Procurement Division's website at www.dgs.ca.gov/pd.

Sincerely,

Andrew Gaston)
Certification Officer

Office of Small Business and DVBE Certification

APPLTR Rev. 4/24/2003

Standard Industrial Classification (SIC) Code(s) Certification Approval Attachment

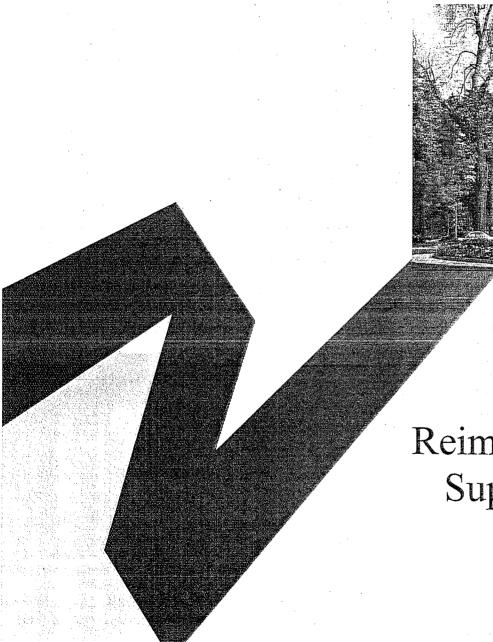
You selected the following Standard Industrial Classification (SIC) codes and/or contractor's license class describe your firm's business:

*Construction firms are classified by their California contractor's license classification(s).

Industry	4-Digit SIC Code*	SIC Code Description
CONSTRUCTION	C-10	Electrical (general)
NON-MANUFACTURER	5043	Photographic equipment & supplies
and the second s	5044	Office equipment
	5045	Computers & computer peripheral equipment & software
	5063	Electrical apparatus & equipment, wiring supplies, & construction materials
SERVICE	7331	Direct mail advertising services
	7336	Commercial art & graphic design
	7371	Computer programming services
	7373	Computer integrated systems design
	7374	Computer processing & data preparation & processing services
	7376	Computer facilities mgmt. Services
	7378	Computer maintenance & repair
	7379	Computer related services, n.e.c.
	7389	Business services, n.e.c.
	8741	Management services
	8742	Management consulting services
	8748	Business consulting services, n.e.c.

State of California Department of Health Services Office of Medi-Cal Procurement

Cost Proposal



Medi-Cal Reimbursement Rate Support Services

RFP# 03-75810

Myers and Stauffer LC

Certified Public Accountants

November 4, 2003 • Bid Submission

Proposer's Name: Myers and Stauffer LC

COST SECTION

COST PROPOSAL FORM (PART ONE)

NOTE: DHS may construe any modifications, conditions, alterations, additions, deletions, or changes to the Cost Proposal Form to the RFP as being non-responsive.

Mailing Address: 11440) Tomahawk Creek Pa	arkway		
City, State and Zip Code:	Leawood, Kansas 60	5211		-
Telephone/Fax Number:	800-374-6858	913-234-1104 fax		
Contact Person/Title:	Kevin C. Londeen,	Member		· :
Staff Personnel listed i	in Technical Proposal			
(Staff personnel listed Proposal):	below must agree wit	h the staff listed in the	Technical	
*EACH HOURLY BID RA' RATE FOR THE PERSO	TE MUST BE LESS T ONNEL CLASS LISTE	HAN OR EQUAL TO T D ABOVE IT.	HE HOURLY BID	
Personnel Class	<u>Name</u> (s)		*Hourly Bid Rate	
Vice President	Kevin Lor (Keenan I	ndeen Buoy, Quality Assura	\$ 250 nnce)	
Litigation Project Mana	ger <u>Kathy Wa</u> o	le	\$_250	
Litigation Research Sp	ecialist Amy Perry Scott Sin	y, Kierstin Bittel nerly	\$ 180	1. 1. est.
Associate Litigation An	alyst <u>Kristy B</u>	urns, Mike Evans well, Robyn Pugh, T	\$_135 rinity Government	Systems
Litigation Analyst	Lesley B Cheryl R		\$_100	

COST SECTION

COST PROPOSAL FORM (PART TWO)

1. Proposer's Bid Price:

2.

3.

4.

NOTE: DHS may construe any modifications, conditions, alterations, additions, deletions, or changes to the Cost Proposal Form to the RFP as being non-responsive.

*EACH HOURLY BID RATE MUST BE LESS THAN OR EQUAL TO THE HOURLY BID RATE FOR THE PERSONNEL CLASS LISTED ABOVE IT.

Α.	Personnel Class	*Hourly Bid Rate	X	<u>Weight</u>	, <u>=</u>	<u>Rate</u>	
	Vice President	\$_250	Χ	12.00	=	3000_	00
•	Litigation Project Manager	\$ 250	X	17.00	=	4250	.00_
	Litigation Research Specialist	\$_180	X	10.00	=	1800	00
	Associate Litigation Analyst	\$_135	X	38.00	=	5130	.00_
	Litigation Analyst	\$_100	Χ	23.00	. =	2300	.00_
	Sum of Weights			100.00			
	Sum of Weighted Rates					16,480	00
(If bid rates vary by individual, enter highest bid rate listed for the class in this paragraph A above.)							
В.	Bid price = Sum of Weighte	d Rates Divided by	100				
Sum of Weighted Rates \$\frac{\$16,480}{} \div 100 = \$\frac{164.80}{} (Proposer's Bid Price)							
Is your firm claiming preference as a Small Business (SBP)? ☐ Yes ☒ No							
If claiming SBP, enter certification number:							
ls your firm applying for the Target Area Contract Preference? ☐ Yes ☒ No							

COST SECTION

COST PROPOSAL FORM (PART THREE)

I, the undersigned, hereby certify that the materials in response to this Request for Proposal (RFP) and the amount offered in this Cost Proposal are true and accurate to the best of my knowledge. The undersigned agrees that the bid amounts offered herein shall remain in effect throughout the full term of the resulting contract, including any and all contract extensions the State chooses to exercise.

In submitting this Cost Proposal Form, Proposer agrees to comply with the sample terms and conditions illustrated in this RFP. The undersigned recognizes that the entire Proposer's Response to the RFP is a public document and open to the public per instructions in the RFP document.

Proposor's Signatu	ire: Thuis 4	hulese	
Floposer's Oignate	arc.		. •
Printed Name:	Kevin C. Londeen		
Printed Title:	Member		
Date:	10/27/03		